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NEWS SUMMARY

GENERAL

Israeli frogmen 'blast ship'

Israeli frogmen were said to be responsible for placing underwater explosives on a Lebanese-owned freighter and sinking it *at anchor off Tyre, Lebanon.*

Israeli gunboats were said to have been steaming *off the* coast just before the blast hit the Tareq, which was unladen. There were no reports of casualties.

Reconnaisance flights over the south Lebanese coast were maintained by Israeli jets, and in Geneva the International *Committee of the Red Cross said* it was investigating a complaint that Israel had used shrapnel-type weapons against Palestinians in southern Lebanon.

Crash pilot dies to save school

The *pilot of a* crashing U.S. jet fighter died at the controls, instead of ejecting, to save a Yorkshire village and 55 primary school pupils.

The blazing aircraft passed the school with only 30 yards to spare and crashed in the only open space in the North York*shire moors village of* Lealholm. The navigator was also killed.

Rhodesia debate

UN Security Council met last night after African nations demanded an urgent meeting to debate the Rhodesian elections which the 15-nation body has already declared null and void. African members want the decision reaffirmed *and* economic sanctions maintained.

Embassy incident

Russian-speaking man brandishing two pistols was inside the *U.S. Embassy in Moscow* last night surrounded by Soviet police and plainclothes men. There were reports of gunfire inside the embassy.

Rocket tests ban

Zaire Government will order the West German company Otrag to halt its rocket tests in southern Zaire. Page 2

Brezhnev doubts

Doubts about the health of Soviet leader Leonid Brezhnev *have arisen during the official* visit which French President Giscard d'Estaing is making to the Soviet Union. Page 2

SWAPO arrests

Police arrested 31 officials and members of the SWAPO nationalist movement in a clamp-down on the organisation throughout South-West Africa (Namibia).

Khomeini 'tired'

Ayatollah Khomeini, aged 78, Iran's unofficial head of state has cancelled all public engagements *next week* because of tiredness.

Brothers named

Police named two brothers *they* want to interview in connection with the terrorist-style murder of Surrey engineer John George. John Richards, aged 22, and Jason, aged 20, described as antique dealers, might be in *Spain, police said.*

Briefly . . .

Three *Madrid* policemen and a passer-by were injured when a bomb exploded in an abandoned building next to a police station.

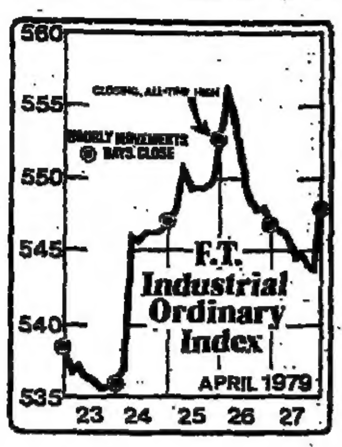
Lisa Dean, aged eight, injured when a television set dropped 60 feet from a tower block 19 days ago, died in Sheffield.

Two elderly sisters were injured when their car went through railings at a Bournemouth multi-storey car park and plunged 40 feet into gardens.

BUSINESS

Equities quiet; £ index up 0.4

● **EQUITIES** ended the Account quietly and the FT 30-share index closed one point *higher at 547.9, a gain* of 9.2 on the week.



● *GILTS were helped by the* stronger sterling and shorts gained up to ¼, while mediums and longs improved by up to ⅛. The Government securities index rose 0.19 to 74.99.

● **STERLING** *rose* 1.2c to $2.0550 after some erratic movements and its trade-weighted index improved to 66.5, up 0.4. **DOLLAR'S** trade-weighted index closed at 86.1 (86.0).

● **GOLD** gained $2¼ to $244¾ in London.

● *WALL STREET* was 4.85 down at 856.12 near the close.

● **ITALY** plans to negotiate a new standby credit of about *$1bn with the International* Monetary Fund shortly after the Italian general elections on June 3 and 4. Back Page

● *PRIME MINISTER* has declined to meet Civil Service union leaders to help settle a pay deal for 800,000 white-collar staff. About 37,000 Post Office workers plan overtime bans and selective strikes from Monday. Back Page

● **ASSOCIATED BRITISH** Foods has refuted allegations by the *Price* Secretary that it *had agreed flour price increases* with Rank-Hovis-McDougall before announcing them.

● **TARMAC** chairman Robin Martin has left the roadstone and construction group, less than a month after steppng down as managing director and chief executive, because of the "*uncertainties" his position had* created. New managing director Eric Pountain said there was no boardroom row. Results, Page 28; and Lex

● **WORLD SHIPPING** companies have asked the British Government to cut subsidies for shipbuilding in the long-term interest of the industry. Page 3

● **THE U.S.** is to go ahead with its unilateral legislation to regulate deep sea mining despite protests *from* other nations at the Law of the Sea *Conference in Geneva.* Page 2

● **CHRYSLER** Corporation and Mitsubishi of Japan *have failed* to agree on a new Mitsubishi *motor sales* network in the U.S. Chrysler has a 15 per cent stake in the Japanese group.

COMPANIES

● **FAIRCHILD CAMERA** and Instrument Corporation, a leading U.S. semi-conductor maker, *is expected to resist the* $300m (£146m) takeover bid by Gould, of Illinois. Back Page

● **HESTAIR**, the industrial group, slumped from a *£4.16m* profit to a £341,000 loss last year *after forecasting* a second-half recovery when it made a £2.9m rights issue last June. Page 28

● **YORK TRAILER** Holdings reports first quarter losses of £80,000, compared with profits of £515,000 a year ago, mainly because of the lorry strike and *secondary picketing.* Page 28

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Excheq. 12pc 1998	£101½	+ ⅛
BOC Intl.	78	+ 3½
Bradford Prop.	465	+ 18
Brocks Group	137	+ 15
Chubb	166	+ 4
Copydex	59	+ 7
Hammerson A	865	+ 15
Harrison (T. C.)	152	+ 7
Imry	710	+ 50
Moss Bros.	260	+ 5
P. & O. Defd.	88	+ 3
Tarmac	203	+ 10
Towles A	64	+ 5
Utd. Carriers	122	+ 6
Wolverhampton & Dudley	298	+ 4
York Trailer	50	+ 4
LASMO	180	+ 16
Shell Transport	790	+ 12
Tricentrol	230	+ 8
Castlefield	348	+ 18
Inch Kenneth	155	+ 12
FALLS		
Hestair	55	− 8
Lockwoods	106	− 6
Sheffield Brick	58	− 4
Vickers	198	− 6
Whatman Reeve Angel	256	− 8

Thatcher may hold referendum on union law reforms

BY RICHARD EVANS, LOBBY EDITOR

Mrs. Margaret Thatcher plans to hold a referendum on proposed changes in industrial relations legislation should the Conservatives gain power and continue to face implacable trade union hostility to reform.

The purpose of the referen*dum would be to gain such* overwhelming support for changes in the law which Conservative leaders believe to be responsible and moderate, that organised industrial and political opposition would be much more *difficult to mount.*

If the Conservatives win the election, the danger they now foresee—particularly in the light of the latest opinion poll *which cuts their lead to a* slender 3 per cent—is that their parliamentary majority might be insufficient to push ahead effectively with their controversial reforms.

The intention of Mrs. Thatcher and Mr. James Prior, expected to be the Conservatives' Employment Secretary, is to introduce the proposed reforms on picketing, the closed shop and secret union ballots, as early as possible in the new *Parliament following consultations* with both sides of industry.

But there would almost certainly be fierce political protests from a Labour Opposition, an outcry from the trade unions *and possibly industrial action* to warn the Conservatives off.

A referendum on the proposals, it is argued, would neutralise this if the majority was sufficiently impressive, and isolate active opposition to the more militant elements.

The plan will depend on the size of any Conservative elec*tion victory and on the* composition of a Tory Cabinet. Some Shadow Ministers are worried about the constitutional implications of the referendum procedure and the harmful effects it could have on the authority of Parliament.

But the key element would be the attitude of Mrs. Thatcher, who is determined to press ahead fast with the major ele*ments of the Conservative* manifesto, particularly trade union reform.

She is known to favour the referendum principle in limited cases and the latest indication is that she sees it as the best, and possibly the only, method of ensuring the trade union re*form she regards as vital to the* success of her general economic strategy.

With hindsight Mrs. Thatcher believes the Heath Government should have introduced a referendum at the time of the con*frontation* with the miners in 1973-74.

● *The latest poll, by Market* and Opinion Research International (MORI), in the Daily Express today gives the Conservatives 44 points, Labour 41 and the Liberals 12. This compares with a Conservative lead of 6 per cent a week ago (Conservatives 46, Labour 40, Liberals 11).

The trend shown by MORI and other recent polls, is expected to be repeated by Gallup in tomorrow's Sunday Telegraph, and it has alarmed senior Conservative campaign managers.

They had been confident of victory following the long lead established in the first half of the campaign and did not anticipate such a sharp narrowing at a late stage in the elec*tion battle.*

An element that persists according to the public polls and to private party surveys is the marked differences in pattern between North and South. The Tories continue to do exceptionally well *in the South* but Labour support is holding up more and more strongly further to the North. The Conservatives are particularly anxious *about the situation in Scotland,* where they could lose four seats to Labour.

A worrying element about the regional variation is that the Tories could be elected essentially on the votes of the South *and Midlands, and this would* make it more difficult psychologically, they believe, to bring forward industrial relations legislation.

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Politics Today, Page 18

Charterhouse leads move to foil bid for SUITS

BY JAMES BARTHOLOMEW

A SYNDICATE of eight institutional investors has offered *£5.6m for the 9 per cent stake* in Scottish and Universal Investments (SUITS) held by the family trusts of Sir Hugh Fraser, the deputy chairman.

The move was organised by Charterhouse Japhet, financial *adviser to SUITS, in an effort to* frustrate Lonrho's £60m bid for the Scottish holding company.

The family trusts are expected to reject the offer as they rejected a slightly lower offer by the syndicate earlier in the day. *Both the first offer, of 195p* per share, and the second, of 200p, are above Lonrho's general offer.

The trusts said yesterday morning that they would accept Lonrho's offer—worth 194p, *consisting of one* Lonrho share and 115p cash.

Mr. Bruce *Fireman*, for Charterhouse, said yesterday: "We find it hard to understand that the trustees could decide to accept an offer which leading investing institutions consider too low. It would have been easier to understand *if* they had turned down our offer as well as Lonrho's."

Even if the second offer is also rejected, Charterhouse will have embarrassed Sir Hugh and made its point about the value *of SUITS.* Mr. *Fireman* said that institutional willingness to snap up SUITS shares "gives the lie to Lonrho's claim that SUITS share price will fall if their offer lapses."

Sir Hugh was not available *to give the trusts' reasons for* rejecting the syndicate's first offer. But Mr. "Tiny" Rowland, Lonrho chief executive, said yesterday he had spoken to Sir Hugh who said he preferred Lonrho shares to cash and that acceptance of the syndicate offer would be unfair to other shareholders. The SUITS share price could well fall back if he *accepted the syndicate offer* and the Lonrho offer consequently failed.

Mr. Rowland also claimed it was "quite wrong for the syndicate to make an offer to one shareholder only in a bid situation." He had talked to four or five stockbrokers, all of whom believed the Charterhouse move was unprecedented.

Charterhouse obtained the approval of the City *Take-over* Panel for its first offer. Its *second offer is subject* to Panel approval, which Charterhouse expects to be granted.

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Tricentrol £17m rights issue

BY TIM DICKSON

TRICENTROL, THE oil and gas exploration group which has a 10 per cent stake in the North Sea Thistle Field, surprised the stock market yesterday with the announcement of a rights issue worth almost £17m.

A number of companies are understood to be planning rights issues but most observers were expecting them all to wait until after the general election on May 3.

Meanwhile, Tricentrol is planning to use at least part of the proceeds from the rights to pay off the £13.6m outstanding on the company's first borrowing facility.

The loan has been guaranteed by the Government, which in return earns a special royalty on Tricentrol's share of production throughout the life of the Thistle Field.

The royalty, however, can be determined only when the debt is repaid and is calculated on a complicated formula. If it exceeds a minimum of 5 per cent of Tricentrol's production, the company has the option *either to pay a higher royalty* or pay the minimum 5 per cent and commute the excess for a lump sum cash payment.

Last night the Tricentrol board said it *felt* shareholders' interest would be best served if the company was in a position to "repay the balance of Government guaranteed debt and thus choose the date at which the special royalty is calculated."

In a policy statement in the 1977 annual report and accounts, Tricentrol expressed the belief that in view of the cash expected to be generated *from Thistle, it would not be necessary to approach share*holders for further funds "for some time."

In the event, the company now says that the build-up in the rate of production from the Thistle Field, primarily due to changed engineering considerations, has been slower than anticipated.

The terms of the issue are one for four at 175p per share. Tricentrol's share price, which at one stage touched 212p yesterday, finished 8p higher at 230p buoyed up by the promise of a 220 per cent increase in the dividend for 1979.

The company yesterday also announced first-quarter pre-tax profits £2.1m better at £3.2m.

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For latest Share Index phone 01-246 8026

Teachers harden resolve on ban

By Michael Dixon, Education Correspondent

AT LEAST a week of school disruption by both of the biggest teachers' unions was ensured in *London yesterday following* Government intervention to halt negotiations on the overdue pay increase for 482,000 schoolteachers in England and Wales.

Angry members of the local education authorities' and unions' panels of the Burnham negotiating committee prepared protests to Mrs. Shirley Williams, Secretary for Education and Science, *after she had* effectively forced the suspension of the protracted talks until after the General Election.

The consequent delay of two to three weeks will cause schoolchildren to suffer from the strict five-hour day, to be worked from May 8 by the 112,000-member National Association of Schoolmasters and Union of Women Teachers, as well as from the "withdrawal of goodwill" by the 258,000-member National Union of Teachers, already in force in some areas.

The NUT — which has an absolute majority on the unions' panel of Burnham — said members would now "furiously and enthusiastically" support the ban on the supervision of lunch breaks or after-hours activities, and on the use of private cars for work purposes.

The union's executive later decided to hasten its action by giving local education authorities only 24 hours, instead of three days', notice before withdrawing goodwill from their schools.

Unlike the NUT's action, the five-hour day threatened by the NAS-UWT is intended to strike directly at classroom work and the impending school-leaving examinations.

While the restriction seems *almost certain quickly to affect* lessons the effect on exams will probably be less severe than has been feared.

Most preparatory teaching of candidates will have been completed by May 8, and use of *external invigilators for exam* sessions should confine the effects of the five-hour day largely to practical tests in science and craft subjects.

Continued on Back Page

£ in New York

—	April 26	Previous
Spot	$2.0510-0520	$2.0395-0405
1 month	0.36-0.31 dis	0.46-0.41 dis
3 months	0.87-0.82 dis	0.93-0.88 dis
12 months	2.50-2.30 dis	2.75-2.65 dis

Exxon fears winter crisis on crude oil

BY KEVIN DONE, ENERY CORRESPONDENT IN NEW YORK

WORLD CRUDE oil supplies c uld fall between 1.5m and 2m *barrels a day short of demand* for at least the next 12 months unless conservation efforts are sharply increased, Exxon, the biggest U.S. oil company, said yesterday.

Spot shortages had already developed in several countries for products such as petrol, heating oil, jet fuel and naphtha. The shortages could become more serious next winter if oil *industry stocks were not rebuilt* during the summer.

Mr. Brice Sachs, executive vice-president of Exxon International, the company's crude *oil trading arm, said yesterday* that oil companies were not taking the threat to supplies sufficiently seriously.

The present shortfall in crude *oil* supplies was not being fully reflected in cuts in product deliveries to consumers, which meant that stocks could not be rebuilt adequately.

The world oil industry's "*workable inventory" of crude,* which forms the cushion against short-term drops in supply is now two-thirds below normal levels. From the beginning of January, Stock levels fell from 600m barrels to 100m barrels *compared with a normal fall* during the winter from 600m barrels to 300m barrels.

Stocks have been drawn down throughout the indust*rialised world to meet the loss* of production from Iran. Since exports started from Iran again in March, production has been cut-back in some other producing countries, notably Saudi Arabia and Kuwait.

Exxon is likely to step-up its cuts in crude oil deliveries to subsidiary and third party cus*tomers in the second quarter* from about 10 to 12 per cent.

Exxon is allocating its crude deliveries on the basis of a restoration of stocks to normal *levels by October 1.*

If similar steps were not taken by all other oil companies, said Mr. Sachs, factories could shut for lack of fuel and homes could be without heating oil next winter in many parts of the Western world.

The sharp rise in oil prices since the beginning of the year —OPEC crude has gone up by an average of 24 per cent since the end of last year—is hitting developing countries especially hard. Twenty countries in Central America and the Caribbean have seen oil import bills *jump by up to 60 per cent,* taking into account rises in product prices.

Some members of the International Energy Agency, the grouping of the main oil-consuming countries, have applied for a selective triggering of the IEA's emergency sharing scheme in response to a shortage of particular products.

The IEA needs a 7 per cent *fall in crude deliveries to* trigger the general sharing scheme, but selective applications from Greece and New Zealand are thought to be under consideration by the Agency's committee on emergency questions.

Exxon is sceptical about the success to date of conservation measures announced by IEA countries. These are intended to cut demand by 5 per cent this year.

Iran's oil hopes rise Page 2

New licence for BNOC

MR. ANTHONY WEDGWOOD BENN, *the Energy Secretary,* has granted the British National Oil Corporation a special licence to develop half of the UK section of the Statfjord field—the biggest oil reservoir in the North Sea.

The special licensing award covers blocks 211/24c and 211/25b. The move means that BNOC, with its partners Gulf Oil, Gulf Offshore Investments, and Conoco, now holds licences for the whole of the UK section of the Statfjord field—part of the field belongs to Norway.

Mr. Benn is only empowered to grant special licences outside the normal licensing rounds to BNOC. But Mr. Benn has avoided this regulation by allowing BNOC to assign part of its interest in blocks 211/24c and 211/25b to Gulf and Conoco. The corporation can make the assignment to its partners immediately.

The Statfjord field, which straddles the dividing line between the UK and Norwegian sectors of the North Sea, has estimated reserves of 488m *tonnes of oil compared to* Forties, the biggest field in the UK sector, which has reserves of 240m tonnes. But the UK only has about 12 per cent of Statfjord's oil—58.6m tonnes.

BNOC said yesterday that the aim of granting a special licence on blocks 211/24c and 211/25b had been to ensure that the maximum amount of oil was obtained from the UK

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OVERSEAS NEWS

Brezhnev again reported to be in poor health

BY ROBERT MAUTHNER

THE STATE of health of Mr. Leonid Brezhnev, the Soviet leader, is again causing speculation during President Giscard d'Estaing's three-day official visit to the Soviet Union.

Mr. Brezhnev was at the airport on Thursday to greet the French President, but he clearly had difficulty walking across the tarmac and the two leaders exchanged on more than a few perfunctory words on that occasion.

At the banquet in honour of President Giscard on Thursday night, Mr. Brezhnev was reported by eyewitnesses hardly to have touched his food and his speech was described by some Russian speakers present as "difficult to understand"—a reference to the delivery rather than the contents.

Though the Soviet leader participated in the first round of talks between the two delegations yesterday, he did not have any tete-a-tete discussions with M. Giscard d'Estaing, as was generally expected, and none are scheduled during the rest of the French President's visit, according to the spokesmen from both sides.

Pressed to explain the absence of the traditional sessions of private conversations between the two statesmen, M. Pierre Hunt, the French Government spokesman, merely said that they had plenty of time to talk to each other in the car on the way from the airport and at the Kremlin dinner. They would have another chance to talk at the dinner due to be given by M. Giscard d'Estaing for Mr. Brezhnev at the French Embassy last night.

The talks between the two delegations, on the other hand, apparently are taking place in a positive and friendly atmosphere. At the opening session yesterday, Mr. Brezhnev went out of his way to emphasise that the good relations between France and the Soviet Union were at the heart of East-West detente and M. Giscard d'Estaing described them as "irreplaceable."

But both Mr. Brezhnev and M. Giscard d'Estaing stressed that detente was not an automatic process and that constant efforts must be made to consolidate what had already been achieved in this field and to take it a step further.

Moscow's main concern at the moment is still to conclude the SALT 2 agreement on strategic nuclear weapons with the U.S. and, if possible, to persuade the French to participate in the proposed SALT 3 negotiations on medium- and short-range nuclear weapons stationed in Europe. France, however, has already made it clear that it is not prepared to jeopardise its *nuclear independence* by taking part in such talks.

On China, too, France and the Soviet Union are still far apart. President Giscard would like to persuade the Russians to bring China into the process of East-West detente.

Iran's oil hopes rise again

BY ANDREW WHITLEY IN TEHRAN

A NEW MOOD of self-satisfaction is evident in the headquarters of the National Iranian Oil Company (NIOC) on Tehran's *Takhte Jamshid* Avenue. The winter months of disruption are past and oil sales for the rest of the year are almost in the bag.

Having unwittingly engineered a tight supply situation in the international market, the new Iranian régime is determined to take maximum advantage of its good luck.

It is selling as much oil as possible on short-term contracts—nine months only renegotiable for favoured customers—and is using the balance as a form of "entry ticket."

Saudi Arabia's decision last month to reduce its output by 1m barrels a day made all the difference to the financial well-being, and bargaining power, of the Bazargan Government.

No formal production ceiling has yet been announced, but foreign oil companies in search of purchases were told this week that it would be no more than 3.5m b/d.

Domestic offtake is going to be higher than usual this summer because of the need to rebuild stocks emptied during the strikes. So a maximum of 2.8m b/d is likely to be available from Iran for export for the next six months.

For the first month of the Iranian year, to April 21, NIOC announced crude sales of 2.9m b/d, reflecting the brief surge of spot liftings, and another 190,000 b/d of products.

These figures, added to its confidence on future sales, mean Iran can look forward to revenues of $13.4bn to the end of this year, even if there is no further OPEC price rise this summer.

In turn, these likely revenues mean that domestic commitments can be met, and a small surplus may well be available for important development projects.

After reaching a peak of 4.7m b/d two weeks ago, output is now dropping rapidly. The big Aghajari field is already over 30 per cent down from its top figure of 950,000 b/d.

NIOC officials had the satisfaction this week of being able to turn away at least one eager customer—a small American Mid-West company—on the grounds that all its available supplies on term contracts were tied up for the time being, despite Iran's new premium prices.

Vickers Petroleum of Kansas was told that if it bought a spot cargo first, its request for 30,000 b/d would be favourably considered later this year.

The asking price for spot purchases is high, over $20 a barrel. But companies like Vickers are clearly prepared to pay whatever is necessary to gain access to the Iranian oil wells.

NIOC is benefiting from a fundamental change in international oil supply patterns, with the decision of the "majors" such as Exxon and BP to restrict crude sales to third-party customers.

Exxon has declared it will be a net buyer of crude for the foreseeable future.

Vickers was one jump ahead of its Mid-West rivals, but found it was already too late to take part in the first big carve-up of Iranian oil, after the demise of the old consortium, Iran Oil Participants.

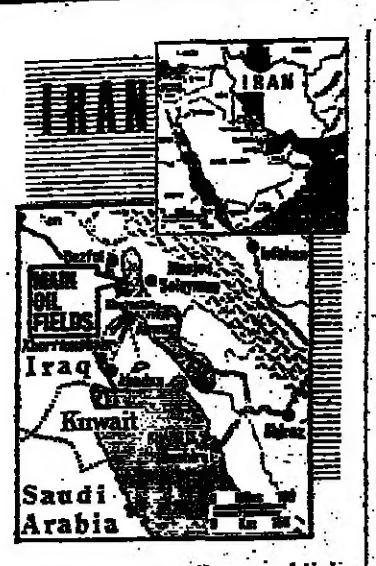
For oil companies such as these, it is a risky venture into the big league. They are gambling on Iran's premium prices being here to stay, and that alternative sources are going to be tied up this year, with 1980 looking even more hazardous.

Although small in international terms, the volumes Vickers is seeking represents over one-third of its daily needs.

Oilmen who have had recent dealings with NIOC say its purge of top management is having no discernible effect on the confidence with which middle-level executives are prepared to take decisions. "They were polite but not interested," Vickers commented.

Industry experts say Iran has already signed term contracts, among others, with Ashland, Amerada Hess of New York, Exxon, Shell, Gulf, and BP.

Prices are said to be "competitive," at the publicly-announced level of $16.57 for light crude and $16.04 for heavier grades.



In the oilfields of Khuzestan, output is not as stable as might appear from the gross figures. Production of individual fields continues to fluctuate.

As one well is brought back on stream, another is forced to shut down because of technical problems. An individual day's total output can vary by up to 1m barrels.

NIOC is doing its best to lure back perhaps as many as 90 Western oil engineers on a direct-hire basis.

But, its chairman, Mr. Hassan Nazih, complained to militant oil workers in Abadan the other day: "They are reluctant to return because of the lack of security."

About 20 former Western workers are already back, two-thirds of them drillers. The others are key men in exploration and engineering. NIOC is said to be anxious to resume full-scale drilling.

But it has a long way to go before reaching pre-crisis levels. One recent visitor to Khuzestan reported that only 12 out of the former 60 drilling rigs are in operation.

Exxon close to crude supply agreement

BY KEVIN DONE, ENERGY CORRESPONDENT, IN NEW YORK

EXXON, the biggest U.S. oil company, is near reaching its first crude oil supply agreement with the new régime in Iran.

The company was one of the members of the consortium of Western oil groups, led by British Petroleum, which was responsible for producing the *bulk of Iran's crude oil before the revolution* earlier this year.

Only two weeks ago, Exxon signed a preliminary agreement to lift 200,000 barrels a day for the rest of the year, possibly rising to 300,000

But uncertainty in Iran over future production levels has caused the National Iranian Oil Company, which now handles all crude oil sales, to cut the contract back to 50,000 barrels a day.

Exxon is expecting to pay $16.57 a barrel for light crude and about 50 cents less for heavy crude.

It is thought that the other major U.S. oil companies are agreements with Iran, also near signing new supply

Texaco and Caltex are each thought likely to contract to lift about 20,000 barrels a day.

Exxon is likely soon to follow some other Western oil companies by signing an agreement with China for preliminary *offshore* exploration.

The agreement, which could be signed in about two months, would be for seismic *work in the South China Sea.*

BP has already signed an agreement to do seismic work in the Yellow Sea. Atlantic Richfield of the U.S. is also undertaking preliminary exploration work.

Japanese prices up 0.8% in March

By Our Foreign Staff

RENEWED SIGNS of rising inflation in Japan came yesterday with news that the consumer price index rose 0.8 per cent in March after a drop of 0.3 per cent in February.

Because of the steep decline in inflation at the beginning of last year, the year-on-year rise in the index actually showed a fall, to 2.3 per cent in March from 2.4 per cent in February. But the jump in March, following the sharp increase in wholesale prices already registered this year, appears to confirm the fears of accelerating inflation which were the main reason for the 0.75 per cent increase in the Bank of Japan's discount rate earlier this month.

Meanwhile, other statistics from the Prime Minister's office in Tokyo showed that Japan's seasonally adjusted unemployment in March rose to 1.15m from 1.05m in February, representing a jobless rate of 2.08 per cent against 1.88 per cent in February.

Partly in response to the consumer price figures, the yen closed at around its lowest for a year in Tokyo yesterday, at around 219.15 yen to the dollar. This was despite a continuation of dollar sales by the Bank of Japan, which has already unloaded at least $5bn since the start of March in a bid to break this year's sharp rise of the dollar against the yen.

U.S. to push ahead with sea-mines bill

BY BRIJ KHINDARIA IN GENEVA

THE U.S. will go ahead with its unilateral legislation, due to come before Congress later this year, to regulate deep sea mining, despite protests from other nations at the Law of the *Sea Conference* in Geneva.

The conference has so far failed to resolve the key disputes concerning rules to govern seabed mining.

But it is reported to have made substantial progress on other issues, such as punishment of those who pollute the sea. A further conference session will be held in New York in July.

Mr. Elliot Richardson, the U.S. representative, said the separate U.S. legislation, under preparation for several years, would not be affected by the fortunes of the *six-year-old* Law of the Sea Conference.

It was still not clear whether there would be a Law of the Sea regime, and when it would come into force, he said. He could not recommend that efforts by private enterprise to exploit the ocean beds, as regulated by any new U.S. laws, should be stopped, awaiting the outcome of the conference.

The private mining conglomerates must make the investment decisions now for successful seabed exploitation in the coming years.

Negotiators are still haggling over the role of a planned International Seabed Authority and its mining wing, to be called The Enterprise.

The poorer nations are insisting that no private entrepreneur should be allowed access to the seabed's resources without first concluding a contract with the authority.

This would oblige an entrepreneur to share technology and profits with the authority, and indirectly with all other nations that might sign the Sea Law Treaty. As drafted so far, *it is likely* to contain about 500 articles.

Another complication has arisen from fears voiced by land-based miners of crucial minerals, such as nickel, copper and manganese, at the likely plunge in world prices for their commodities, if seabed mines come on stream without carefully planned production ceilings.

New Turkey-IMF talks may end in fortnight

BY METIN MUNIR IN ISTANBUL

TURKEY HAS reopened its dialogue with the International Monetary Fund.

The talks, which started here yesterday, are highly important. The inflow of foreign funds Turkey has been hoping for to end its economic crisis, seems to depend on adopting and abiding by austerity measures recommended by the IMF.

Ankara is aware of this, and officials point out that Mr. Bulent Ecevit's Government is keen to reach an agreement "as soon as possible."

The method to be followed has not yet been determined, officials said. But it seems certain that a new standby agreement will be signed, replacing that for $350m signed last year.

The old standby agreement contains targets which, in view of the bad performance of the Turkish economy last year, are almost unattainable.

New and more realistic targets will have to be agreed. But this may entail lengthy negotiations, so an interim agreement may be reached first, releasing the $70m third and fourth tranches of the present standby loan.

The negotiations, between Mr. Charles Woodward, director of the IMF Turkey desk, and Mr. Vural Gucsavas, may be concluded in a fortnight, Turkish officials believe.

Today's talks break a deadlock of more than four months during which Mr. Ecevit refused to talk to the IMF.

As a result, the IMF tranches, along with funds from other sources like the OECD and private banks, were withheld.

Mr. Ecevit has recently completed a new stabilisation programme, the second of his 16-month tenure, and feels he can now talk to the IMF with less political risk.

Inflation, wages and public financing will be the three most important topics.

Meanwhile, the Confederation of the Revolutionary Trade Unions of Turkey (DISK) said yesterday that it would hold its May Day rally in Istanbul, despite the martial law ban imposed on Thursday.

Tunisia breaks off Egypt links

By Tanya Matthews in Tunis

TUNISIA BROKE off diplomatic relations with Egypt yesterday, bringing to 15 the Arab countries which have shut their embassies in Cairo.

The Arab League, now transferring to Tunis, is operating from the Tunis International Hotel until a suitable building can be found.

Tunisia, by joining the opposition to Egypt, is improving its strained relations with Algeria.

Our Foreign Staff adds: Oman, the only State in the Arabian peninsula not to oppose President Sadat's peace treaty with Israel, is issuing no visas to people wishing to enter the country.

No date has been given for the lifting of the ban, which came into force this week, nor has any official explanation been given.

It may reflect Oman's concern about terrorists and subversives, in view of the hostility of the Palestinians and Iraq and Syria.

Mobutu to halt OTRAG rocket tests in Shaba

KINSHASA—The Government of President Mobutu Sese Seko of Zaire will order the West German company OTRAG to halt its rocket tests in his country, the official news agency AZAP reported yesterday.

The company leased a vast tract of southern Zaire for its tests, which it said were intended to develop a cut-price rocket *for launching communications* satellites.

Its activities caused concern among Zaire's neighbours and were attacked by the Soviet Union. The West German Government denied that OTRAG's research could have any military use. Chancellor Helmut Schmidt called the firm's activities an embarrassment, but said the company had no ties with his Government.

OTRAG (Orbital Transport und Raketen AG) is headed by a German engineer, Lutz Kayser, who signed a lease with the Zaire Government in March 1976 for exclusive use of some 39,000 square miles in Shaba province.

After Shaba Province was invaded by Angola-based rebels in 1978 the Observer newspaper said East Germany had masterminded the attack in order to disrupt the OTRAG tests.

Western diplomats in Kinshasa said that Zaire's decision to halt the OTRAG tests seemed to be aimed at improving its relations with Angola, East Germany and the Soviet Union. Reuter.

Leslie Colitt adds from Berlin: A spokesman for OTRAG said that if reports were true that the Government in Kinshasa was cancelling its contract with the company, then it would move to another country.

OTRAG's spokesman in Stuttgart said that if the company were forced to move out of Zaire, it would mean a two to three month delay and "additional costs," before it could resume operations in another country, which he would not name.

West German newspapers have reported, however, that OTRAG was searching for alternative sites in South America, especially in Brazil.

Shares in OTRAG have been sold to well-off West Germans.

Zambia mine killing

Four people, including a six-year-old child, were assaulted and then shot dead last Wednesday by a group of armed men at a mine near Chongwe, 20 miles east of Lusaka, Michael Holman writes from Lusaka.

Suspicion will inevitably fall on guerrillas of Mr. Joshua Nkomo's Zimbabwe African Peoples Union, who have been accused of responsibility for a number of assaults over the past few months.

E. German spy protest

The East German Government has protested against the alleged collecting of military information by West German intelligence from cross-border travellers, Leslie Colitt writes from Berlin.

The charges have led East Germans to suspect that their authorities are planning to make travel to East Germany by West Germans more difficult and to further restrict the number of East Germans under retirement age who are able to visit West Germany.

Thai warning

Mr. Kriangsak Chomanan, Thailand's Prime Minister, has warned that Thailand will not permit foreign forces to violate its territory along the eastern border with Cambodia, a government spokesman said yesterday, Reuter reports from Bangkok.

The spokesman said he understood the warning to apply to either side in the Cambodia conflict who might enter Thailand pursuing fleeing soldiers or civilians.

Vietnam pledge on base

Vietnam has assured Mr. Kurt Waldheim, the United Nations Secretary-General, that the former U.S. naval facility at Cam Ranh will not become a Soviet base and will remain under Vietnamese control, Reuter reports from Hanoi.

EEC Bangladesh aid

Food aid for Bangladesh under the EEC's food aid programme may be increased as a result of talks yesterday between President Zia ur *Rahman of Bangladesh* and Mr. Roy Jenkins, President of the EEC Commission, Margaret van Hattem writes from Brussels.

Sanjay Gandhi jailed

Mr. Sanjay Gandhi, son of Mrs. Indira Gandhi, the former Prime Minister, was sent to jail yesterday for failing to appear in court to answer fraud charges, the Press Trust of India news agency reported from New Delhi.

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Lorraine car investment plan worth over £220m

BY TERRY DODSWORTH IN PARIS

THE INVESTMENTS which Renault and PSA Peugeot-Citroen, the two French motor companies, are aiming to make in Lorraine over the next few years will probably be worth a total of more than FFr 2bn (£221m).

It is estimated that a significant proportion of this sum—about FFr 600m—will be financed by the special industrial adaptation fund (FSAI) set up by the French Government to help create jobs in the run-down steel-making areas.

Although the investment total of the French companies falls well short of the $650m which Ford, the U.S. motor company, was willing to spend on a new plant in the region, there will be some additional expenditure by Renault and PSA component suppliers.

The French Government's acceptance of the Renault and PSA schemes under the FSAI provisions means that they should receive a higher level of assistance than they would otherwise have got for their expansion. The French companies had previously complained bitterly that Ford had been singled out for preferential treatment.

The FSAI has also given details of its other schemes since it was set up in October last year. It has given support to 51 companies, which are aiming to invest a total of FFr 5.2bn in the special areas. The fund's contribution to these projects will amount to FFr 1.5bn, of which FFr 800m will be in direct grants. This should lead to the creation of 14,000 new jobs.

NATIONALIST STIRRINGS IN BALUCHISTAN

Waiting for a call over the border

A stirring of nationalist feeling in Baluchistan, the region of barren mountains straddling the borders of Pakistan and Iran, has aggravated the problems facing the governments of both countries in the uncertain times following the deposition of the Shah and the execution of ex-Prime Minister Bhutto. CHRIS SHERWELL recently visited Quetta on the Pakistan side of the border, while SIMON HENDERSON paid a trip to Zahedan, the capital of Iranian Baluchistan, to report on the uncertain future of the area.

IN PAKISTAN, where a hangman's rope has sealed the fate of Mr. Bhutto, the deposed Prime Minister, the desire for greater autonomy for the country's four provinces is now the most potent political force dividing the country. But it is also one which successive governments in Islamabad have strongly resisted. As a result, in Sind, among the Pushtanis of the north-west frontier and especially in Baluchistan, there is increasing bitterness and resentment at the continuing *dominance of the populous Punjab*.

However, the autonomy issue appears to stand less chance of taking off now than it did under Mr. Bhutto. Though sentiment is undoubtedly as strong as ever, the Government has changed its attitudes and policies to counter it. Whether this proves effective in the long term is another matter. Most people in the region find it difficult to imagine that the present borders between Pakistan, Afghanistan and Iran will be intact in two decades' time.

The *focus of attention in* Pakistan, as it is in Iran, is the strategic province of Baluchistan.

Nationalist feelings among the Baluch people remain as strong as ever, and the desire for greater autonomy as powerful. Though the nationalism is of long-standing, it has been reinforced over recent years by the continuing absence of a firm identification, by Punjabis as much as by Baluchis, Sindhis and Pushtuns, with the state of Pakistan. Beyond their province, these peoples look to Islam, not Pakistan, as the force binding them together.

The Baluch sentiment for greater autonomy springs from the rather sorry experience of 30 years tied to Pakistan. Having committed themselves to the country in 1947, the Baluch people found the central Government determined to divide and subjugate them just as the British had done before. Baluchistan itself has known nothing but army rule for the past 21 years, and the province has remained underdeveloped.

In the 1960s the Baluchi desire for more control of their own affairs found expression in the National Awami Party (NAP), which yoked together Baluchis and Pushtuns in a common cause. The main leader was Abdul Wali Khan. An attempt to involve NAP in government in the frontier and Baluchistan in 1972 lasted less than a year before Mr. Bhutto moved against its leaders. The party was banned, a state of emergency was imposed in Baluchistan, a four-year guerrilla war began and provisions for greater autonomy in a new constitution were never implemented.

With the end of Mr. Bhutto's rule in mid-1977 things changed, and the cause of greater autonomy has since suffered a setback. Although the army still rules in Baluchistan, as it does under martial law in the rest of the country, its policies have altered.

No longer committed to confrontation, senior generals are now talking to prominent Baluch leaders about "rehabilitation" of people affected by the army's crushing of the insurgency. Some people call this compensation, but it does not mask the fact that talks are going on. Armed bands still operate in Baluchistan, and more are said to occupy safe havens in Afghanistan, but none are regarded as a security threat at this stage.

As the stepped-up development programme in Baluchistan blunts some of the ill-will still further, simultaneous political developments are also helping to undermine the strength of the autonomy movement. The successor to the national Awami party, the National Democratic Party, is now deeply split between the Baluch nationalist leaders and the Pushtun-dominated faction led by Wali Khan, who has apparently decided to drop the issue altogether. This is leaving the Baluch leaders, the most secular of all Pakistan's prominent politicians awkwardly isolated.

The real test will come in Pakistan's general elections planned for November, but it is not certain how much political *activity will be permitted*, or even whether martial law will be lifted. General Zia-ul Haq, Pakistan's military ruler, has also said a code of conduct for the election will preclude discussion of the issue of provincial autonomy—something the leaders of the National Democratic Party have since protested against.

Meanwhile, on the Iranian side of the border, Zahedan, the capital of Baluchiston province, seems out of time with the rest of Iran. Zahedan was probably the last town to pull down its statue of the Shah's father—only on the actual day of the revolution. Now it has become the first town to disband its revolutionary committee and hand over the running of the region to a provincial government.

Iranian Baluchistan seems hardly Iranian at all. People identify themselves as Baluchis, Sistanis (from the north of the province) or as Iranians. The Iranians are viewed practically as colonialists by the first two groups.

Under the Shah, the authorities managed to assuage Baluchi nationalist feeling by tacitly allowing the tribesmen to continue their traditional trade of smuggling, and by pouring money into the province for development. Now in the uncertainty of Iran's revolution, that feeling is stirring again.

Iranian Baluchis have never had the political leadership of those in Pakistan, or quite their level of institutionalised opposition to the central government. But *in the present circumstances* they are, according to informed observers in Zahedan, "just waiting to hear a call from across the border."

It has long been thought that the Soviet Union would foster in independent Baluchistan as the next stage of a push through Afghanistan for a port on the Indian Ocean. Gwadar in Pakistan, and Chah Bahar in Iran, do indeed look rather vulnerable. But observers in Zahedan only fear this possibility in the long term: for the *moment they are obsessed with* the immediate problems being wedged between a potentially chaotic, post-Bhutto, Pakistan, an Afghanistan in internal rebellion and Iran with its revolution nearly off the rails.

The economy of the province is in a mess. Work on development projects has stopped although the provincial Government is trying to scrape together enough funds for some to resume. The smuggling of foodstuffs, tea and clothing continues unabated but the decline in the value of the Iranian rial against the currencies of Pakistan and the United Arab Emirates has made this less profitable.

The principal source of potential strain is religious. The 500,000 Baluchis of the province are Sunni moslems. The minority 100,000 Sistanis are Shias, as in the rest of Iran. Among other differences the Shi'ite sect puts far more secular influence into the hands of the most senior ayatollahs.

Baluchis traditionally follow their tribal leaders—the Sardars.

The Baluchis have been watching with great interest the activities of other Sunni minorities—the Kurds and the Turkomans. They have noticed how outbursts of fighting have won promises of concessions from the central government.

The issue will come to the fore again when the draft constitution of the Islamic republic is published. The main question is whether the State religion will be Islam or only Shi'ite Islam. The divisiveness of the subject is obviously recognised, and the contitution's publication date has been postponed indefinitely.

Government to order three hydrographic survey vessels

BY LYNTON McLAIN

THE Government yesterday called for tenders for three hydrographic survey vessels. They are expected to cost up to a total of £50m.

The move meets in full the demands of MPs on the House of Commons trade and industry select committee.

The ships were urgently needed to update offshore navigation charts around Britain as a way of preventing collisions and strandings of ships carrying dangerous pollutants, including oil, said the MPs in a January report.

The ships will be built in British yards under full funding from the Industry Department based on the Shipbuilding Intervention Fund. This is used to bridge the price gap between offers from British shipbuilders' yards and more competitive yards overseas.

The Ministry of Defence will pay the operational costs of the vessels, which will be manned by the Royal Navy.

The Trade Department—which was urged to pay the full building and operating costs of the vessels in the MPs' January report—argued that its marine operations budget was fully stretched.

Robb Caledon, of Leith, built the Navy's latest improved Hecla class hydrographic survey vessel. This was commissioned in 1974 at a building cost of £5.2m. The full range of electronic survey equipment added another £5m to the bill. A similar vessel built today would cost a total of between £15m and £20m.

The rest of the Navy's purpose-built hydrographic survey fleet was built in the 1950s and 1960s.

Britain's hydrographic survey fleet had seven ships too few to meet the backlog of 100 "ship-years" of civil survey work on top of the 284 ship-years of work needed for the Navy, Rear Admiral David Haslam the official hydro grapher told MPs on the select committee last July.

Without the extra ships the Navy's hydrographic requirements would not be met until the end of the century, he said.

The latest ships, which are expected to be ordered before the end of the year, are to be assigned almost entirely for civil use.

Trade Department witnesses told the MPs that the Sullom Voe oil terminal and its approaches in the Shetlands had not been adequately surveyed. At the same time there had been a doubling in the draft of deep-sea tankers.

Court battle over NEB computer plan to continue

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE HIGH COURT battle over the future of an £8m Anglo-American joint computer venture set up by the National Enterprise Board will continue next week.

Grundy (Teddington) is trying to stop a link-up between Data Recording Instruments, a NEB subsidiary, and Control Data Corporation of the U.S., to make computer peripherals.

In the High Court on Thursday, Grundy was refused an application for an order halting the deal pending a full trial of the action. But the judge later granted a temporary ban on the deal pending further arguments about the NEB's powers to offer an indemnity to the DRI directors.

Yesterday the case was adjourned till Monday so that more talks can take place between the parties involved.

State industries' pension system defended

BY CHRISTINE MOIR

THE NEXT government should avoid the temptation to put the pensions of the nationalised industries and local authorities on a "pay as you go" basis, in place of the "funded" system, Mr. Dundas Hamilton, senior partner of stockbrokers Fielding Newson-Smith, said yesterday.

By such a move, the government could, "at the stroke of the legal pen" reduce its annual public sector borrowing requirement by as much as £2bn a year—the present cost of topping up current pension contributions to meet future liabilities—Mr. Hamilton told the conference of the National Association of Pension Funds in Edinburgh.

Alternatively, it could take over the entire portfolio of the funds of the two sectors which would give it £13bn of investment to sell off to pay pensions.

Both moves look superficially attractive. Mr. Hamilton said, but they would cause insoluble problems for the future including the possibility that a future government might have to default on pensions.

The fundamental flaw, he said, of the "pay as you go" system is that the pensions of today's employees are paid by the contributions of tomorrow's workforce.

Trends in industry, through new technology and early retirement, as well as increased longevity due to improvements in medical science, indicate a long-term decline in the overall workforce and a corresponding rise in pensioners.

The smaller workforce would have to bear increasing burdens. They might well "reach a breaking point in their response" to such a burden, Mr. Hamilton said.

The Government would have to provide explicit guarantees against such a future. In this way it would become the sole provider of pensions and it would be under pressure to upgrade every employee in the national sector to the highest level of benefit regardless of differing levels of productivity.

In any case, Mr. Hamilton said, the "pay as you go" system merely shifted the burden to a later date.

"If one can assume real rates of return, it is cheaper to put aside monies and invest to meet future liabilities than to pay them at a later date."

Mr. Hamilton said that if a real return proved impossible over a significant period, some other vehicle, such as an indexed bond, would have to be devised to match assets and liabilities. He hoped that would not be necessary.

Old Masters' works for art institute

A NUMBER of works of art, including drawings by Michaelangelo, are bequeathed to the Courtauld Institute of Art by Count Antoinne Edward Seilern, whose will was published yesterday.

The count, of Prince's Gate, London, and Burgelstein Strasse, Salzburg, died last July, aged 77, leaving estate in the UK valued at £30.8m gross.

His collection of more than 400 paintings and drawings, of which the Institute inherits a share, includes 33 paintings and 23 drawings by Rubens, as well as drawings by Rembrandt, Mantegna, Bellini, Parmigianino and Tintoretto.

BBC radio serial of 'Star Wars'

THE BBC has signed a £20,000 deal with the U.S. National Public Radio network for a 13-part serial based on the science-fiction film "Star Wars." It will be the BBC's first major co-production.

Mr. Aubrey Singer, managing director of BBC Radio, said the serial would be broadcast on Radio One on Saturdays next April and would also be transmitted by National Public Radio's 200 stations. Casting has not been announced.

Shipowners press for cut in subsidies

BY LYNTON McLAIN

REPRESENTATIVES of world shipping companies yesterday urged governments to cut subsidies for shipbuilding in the long term interests of the shipping and shipbuilding industries.

The International Chamber of Shipping, which represents shipowners' associations in 29 countries, said after its annual meeting in London that governments were tending towards more subsidies.

Any increase in shipbuilding subsidies had to be stopped, Mr. Harry Beazley, chairman of the chamber, said.

The meeting emphasised the importance of preserving the Organisation for Economic Co-operation and Development's understanding on export credits for ships. That stipulates a minimum interest rate of 8 per cent over seven years on up to 70 per cent of the value of the vessel.

Spain, a member of the chamber, decided in March to withdraw from the non-binding OECD agreement and is understood to be advocating a 0.5 per cent cut in the minimum interest rate, a 10 per cent rise in the order value which can be covered by a loan and an 18-month extension in the repayment period.

Tankers

Mr. Beazley said the depression in shipping was still most evident in the oil tanker market. Last year was the first since the Second World War when there was a net fall in world tanker tonnage. The tanker market may now be approaching equilibrium with demand, he said, but the limited rise in oil production would ensure "gloomy prospects for the foreseeable future."

There was more cause for optimism in the dry bulk trades, but the chamber, which represents two-thirds of world merchant tonnage, failed to reach agreement on the expected prospects for liner cargo shipping.

Members said the surplus in the liner trade would "cause trouble for the owners for some time to come." Rates in the industry are under severe pressure from rising competition from non-liner conference operators.

The meeting also discussed a common approach among shipowners to maritime fraud, which is eroding the already vulnerable margins of small tramp ship operators.

Ladbroke case may be delayed

By James Bartholomew

LADBROKE GROUP'S applications for renewal of four London casino licences, which the police have objected to, will probably be delayed for several weeks.

The hearing will start at the South Westminster gaming licensing committee, a branch of the magistrates' court on Tuesday, but it is likely to be adjourned.

The licences in question are for the Ladbroke Club, 22 Hill Street, the Hertford Club, 21 Hertford Street, Park Lane Casino, 24 Hertford Street and the Hertford Club, 30 Curzon Street (not at present operated as a casino).

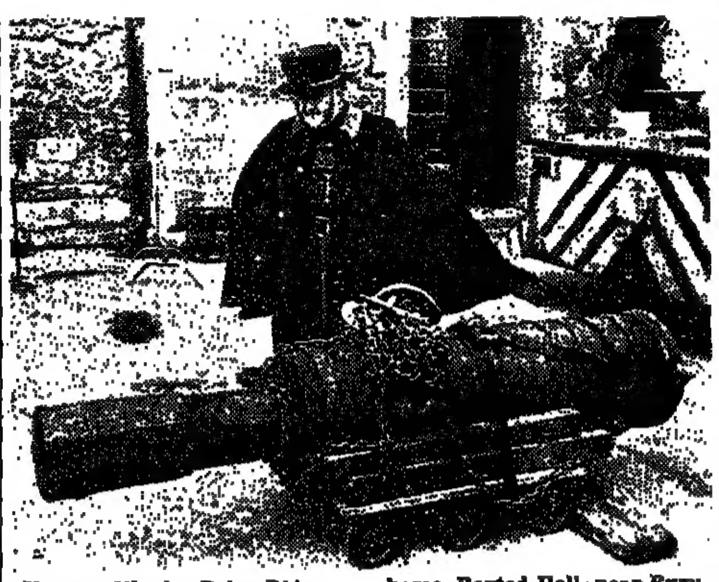
Another licence, for the Park Tower Casino, 101 Knightsbridge, comes up for renewal on May 15 at the West London Petty Sessions. This hearing is also expected to be adjourned until the results of the other applications are known.

These casinos are believed to have been major contributors to Ladbroke's record £40m profit last year. Loss of the licences would be a heavy blow to the prestige and profits of the group.

Mr. Geoffrey Spreckley, the Ladbroke director responsible for the casinos, said yesterday that the adjournment would not be at Ladbroke's request. It was normal for such cases to be adjourned if there were any objections whether from the police or the trade or anyone else. A date for the full hearing had not yet been fixed but he believed it would be late next month or June.

Mr. Spreckley would not disclose the grounds on which the police have objected to renewal of the licences; the objections were served on Ladbroke on April 6. He repeated the statement of Mr. Cyril Stein, Ladbroke's chairman, on April 5, that the police objections were based on "alleged technical breaches."

A court officer said yesterday that renewals subject to an objection were not necessarily adjourned. He understood that Ladbroke would seek an adjournment on Tuesday.



Yeoman Warder Brian D'Arcy inspects the Tower of London's latest acquisition, the Boxted Bombard, believed to be the oldest English gun in existence. The gun was moved to the White Tower yesterday from its former home, Boxted Hall, near Bury St. Edmunds. Built in the middle of the 15th Century, the cannon, which is 8 ft 10 in long and weighs 1½ tons, was first recorded in Eridge Green, Sussex, the centre of iron and cannon making in England at the time.

Decade of economic instability forecast

BY EAMONN FINGLETON

CONTINUING ECONOMIC instability in the 1980s was forecast yesterday by Mr. Peter Moody, chief investment manager of the Prudential Assurance group.

Addressing an investment conference in London, he said: "Investors should prepare themselves for another decade in which the average rate of inflation will remain high and the average rate of economic growth disappointingly low."

Growth in world output and trade would continue to be held back by restrictive economic policies designed to keep inflation in check and to protect the trading balance of countries such as the U.S. which depended on oil imports for much more of their energy requirements. Foreign exchange markets would become increasingly volatile in step with the concentration of gold and foreign exchange reserves in the hands of oil-producing countries.

He added that sterling would be stronger in the next decade, but this would be a mixed blessing.

Monetarist ideas would almost certainly become dominant over the next few years in anti-inflation policy; but he was unconvinced that monetarists had a total solution to the UK's problems.

"Strict monetary restraint could well first squeeze the real economy so severely that the policy would have to be abandoned."

Economic instability, though less severe than in the 1970s, would mean big fluctuations for financial markets.

Mr. James Findlay, director of the Prudential's portfolio management's subsidiary, put a damper on the stock market's current euphoria.

He said: "For the time being equities have gone far enough and a period of consolidation is called for."

The conference was held for investors with Vanbrugh, the Prudential's unit-linked subsidiary.

Cathedral seeks £1½m for urgent repairs

PETERBOROUGH Cathedral needs £1½m for urgent repair and restoration work.

An appeal, with the Duke of Gloucester as president, is being launched by the Dean and Chapter to pay for restoration of the roof and stonework of the Norman building.

The greater part of the sum is needed for the renewal of the entire north transept and south-west tower roof, and repairs to external stonework.

Radio revenue

ADVERTISEMENT revenue earned by Independent Local Radio during March amounted to £2.875m, bringing the total for the first quarter of the year to £7.071m. This compares with £5.960m for the first quarter of 1978.

Clothing industry chiefs in design information pact

BY MAURICE SAMUELSON

LEADING RETAILERS and manufacturers have agreed on long range measures to help make the British clothing industry stand up more effectively to foreign competition.

Retailers have agreed to meet a long standing grievance of manufacturers by promising them the same kind of long-term information about design requirements as extended to overseas suppliers.

The agreement was reached at a meeting in London this week under the auspices of the joint textile committee of the National Economic Development Office. Among retailers who attended were Hepworth Tailoring, Foster Menswear, Dorothy Perkins, Littlewoods, Woolworth, British Home Stores and Tesco. Manufacturers included Luton Knitting, Carrington Viyella and Coats Patons Knitwear.

Mr. Richard Halstead, managing director of the Beecham Group, who presided, said yesterday that the meeting had found there could be good opportunities for British manufacturers of children's wear, blouses and trousers. British garments were of good quality, but needed to improve in design, delivery and in price.

As a result of the impact of the Multi Fibre Agreement between the EEC and traditionally cheaper textile countries, British goods might become relatively cheaper and have a better chance on the home market.

This week's meeting was the first of about four a year which will deal with different categories of garments in which there has been deep import penetration. They include shirts, knitted jerseys, trousers, blouses and skirts.

Managers in private sector take pay lead

By Jason Crisp

PAY LEVELS for industrial managers working in private industry have rapidly overtaken those working in the public sector. A survey just published shows that the average salary in private industry which a year ago lagged behind the public sector by £90, is now £500 ahead.

According to the survey, industrial managers' salaries have risen across the board by 20 per cent, notably faster than average earnings. However, the report notes that between 1974 and 1978, "earnings of all managers in manufacturing industries increased by 65 per cent, while salaries of industrial managers had improved only 33 per cent."

The survey, conducted in January and February by the Institution of Works Managers, covered nearly 2,000 institution members doing a wide range of jobs in a number of sectors.

The median salary in the public sector was £7,000 and in private industry £7,500. The salaries of the highest paid (upper decile of those surveyed) rose from £10,500 in 1978 to £13,000 in 1979.

There were variations in increases between industries. Average increases over the year in the chemical industry was 25 per cent compared with 16 per cent in mechanical engineering.

Copies of the survey's findings are available from the Institution of Works Managers, Industrial Management House, 45, Cardiff Road, Luton, Bedfordshire. Price £15.

Jewellery sold without hallmarks

UNHALLMARKED ARTICLES of jewellery are being imported into the UK and sold as gold or silver when in fact some are not.

The Joint Committee of the Assay Offices said yesterday that the problem had come to its notice in the last few months after complaints by the public.

Under the Hallmarking Act, 1973, it is an offence for traders to sell or advertise articles as gold, silver or platinum unless they have been hallmarked or are exempt.

Although Assay Offices are unable to quantify the amount of jewellery not being hallmarked they said the problem was serious enough to cause concern.

Most of the jewellery which has not been hallmarked in the UK—most of which originates in Italy—is in fact gold or silver, but there have been instances where base metals have been sold as gold or silver.

One London borough recently prosecuted a trader for selling a base metal chain. He was fined £200 and ordered to pay costs; a compensation order was also made and he received a further fine of £25 for not displaying a hallmarking notice.

Most of the unhallmarked jewellery is being sold in street markets but some has been found to have been sold by discount jewellers.

West Scotland business 'at a low ebb'

BUSINESS CONFIDENCE in the West of Scotland remains at a low ebb and signs of recovery should be treated with caution, says the Glasgow Chamber of Commerce in a survey of 300 member companies and covering the first three months of 1979.

Many companies reported that their cash flow had deteriorated as a result of the bad weather and the lorry drivers' strike, which led to stockpiling of materials and delayed payments.

Finding skilled labour was also a difficulty—in engineering and textiles this was reported by 82 per cent of respondents.

Although export figures seemed to improve, many companies said this was in terms of value (because of the stronger pound) rather than volume and while companies are recovering from time lost in January, the General Election and its aftermath makes the situation unstable, according to the survey.

FT beats U.S. rivals in world coverage

The Financial Times beats the top six U.S. business publications in coverage of international business, financial, political and economic news, according to a survey by the R. Russell Hill company of Greenwich, Connecticut.

The company monitored the international editorial lineage of nine publications, including the FT, New York Times and Wall Street Journal, during two weeks in January.

The FT included a total of 472,528 lines of international (non-U.S.) business coverage during the period, compared with a combined total of 104,784 lines for its top six U.S. rivals.

Call for aid on rented home improvements

BY ANDREW TAYLOR

MORE GOVERNMENT help is needed to encourage home improvement work in the private rented sector Mr. Ian Robey, newly-elected president of the Builders Merchants Federation said yesterday.

Mr. Robey said the 1976 House Condition Survey revealed that a seventh of all privately rented homes were unfit for habitation while a quarter lacked basic amenities like hot water and "inside toilets."

The federation proposes a revision of the home improvement grant system with the increment grant of a basic "habitability standard" under which all homes without basic amenities would be instantly eligible for grants.

Mr. Robey said there was also need for readily available finance to bridge the gap between the cost of improvements and the basic grant. A home improvement bond scheme as proposed by the National Home Improvement Council should also be considered.

"Perhaps most importantly there should be a revision of the Rent Act together with a change in basic attitude by politicians and civil servants to responsible landlords."

Mr. Robey said home improvement work had, in recent years, provided an increasingly important market for the building industry. "In four of the last five years a larger proportion of UK construction output has gone on repair and maintenance than on new housing."

However, he said that in many cases the building industry had failed to recognise the importance of the private rented sector to the home improvement market although builders had created special divisions or companies to cope with local authority improvement work.

He also felt a central body was needed to provide a system of guaranteeing building standards and "some guarantee of redress if things go wrong."

"There has been an increase of fringe firms offering to provide low cost improvement work. Some of these may be perfectly legitimate but if things do go wrong, such as companies going bust, the public have little chance of gaining redress."

● The federation's latest quarterly survey of business confidence showed that 77 per cent of British builders merchants canvassed expected trade to increase over the next 12 months. Merchants in the Midlands, however, were less optimistic about trading over the next six months.

German print union bid to halt Times weekly edition fades

BY GUY HAWTIN IN FRANKFURT

THE WEST GERMAN print union's hopes of directly preventing publication of The Times's weekly European edition appear to be increasingly slim. The publication is being printed by what amounts to non-union shops.

An official of the Industriegewerkschaft Druck und Papier (IG Druck), the country's powerful printing trade union, yesterday confirmed its whole-hearted support for the National Graphical Association, the British craft printing union. But he said his union's direct influence over the men who will be bringing out the edition was limited.

The Times's European edition is being produced by two West German printing concerns. Typesetting and page composition is being undertaken by the small firm of Gutfreund and Sohn, in Darmstadt, near Frankfurt, while it is being printed by a Turkish-owned company, Tehrdruckerei, based in Zeppelinheim, also near Frankfurt.

About half of Gutfreund's employees are IG Druck members and the Turkish company, a subsidiary of the right-wing Tergeman newspaper group, is completely unorganised. So far IG Druck's efforts to stop production of the newspaper, have been confined to negotiation and exhortation.

IG Druck is not without resources if it wishes to show strong support for the NGA. Few German printing employers would care to endure its wrath and that would probably go for Gutfreund, which is a small company and has reportedly never had particularly good relations with the union, as well as Tehrdruckerei, which is wholly dependent on guest-workers for labour.

Sources in the industry say Gutfreund, which apparently has no printing capacity of its own, is greatly dependent on contracts from the trade. Therefore, it is argued, it is vulnerable to "blacking" by the union employees of its customers.

Tehrdruckerei could well be subject to pressure by IG Druck attempting to organise its labour force. It could possibly also be discomfited by an investigation into wages, conditions and recruitment policies.

"The next move will come when Gutfreund starts setting the second edition text for The Times," the IG Druck official said. "We shall ask our members to strike but the fact that only half of the workforce is organised makes things difficult."

An appeal for assistance from the union representing transport workers was unlikely to be effective. Tehrdruckerei would most probably be able to circulate the paper using its own non-union sources.

The official said Gutfreund was claiming that the weekly edition was a serious long-term project. Representatives of the German company said they were in London last week discussing the capital investment their own business would need to cope with the demands of permanent composition and type-setting of the weekly.

● The weekly edition will be printed on Sunday for publication on Monday, and have the same cover price as The Times (15p in Britain). Times Newspapers said in London that it had "a long queue of advertisers" interested in the project.

Print union chief defends financial affairs

BY OUR LABOUR STAFF

Mr. Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel, yesterday hit back at newspaper suggestions that the executive had failed to take action on the state of the union's financial affairs.

Mr. O'Brien indicated that inquiries which revealed a second sale of the union's premises in Blackfriars Road had been started when he received a demand for capital gains tax. This led to a full investigation and audit of NATSOPA affairs over the past 10 years.

Steps were now being taken to ensure that all money owed to NATSOPA was returned and that "the occurrences of the past can never re-occur."

Mr. H. T. Ball, president, writing in the latest issue of NATSOPA Journal yesterday called on the union's members to support the general secretary "who has on your behalf and mine, withstood these vicious attacks for many months."

Journalist to appeal against assault sentence

A LONDON High Court judge today refused bail to a reporter, Mr. Stephen McKenlay, 22, sentenced to three months jail, in Bristol on Wednesday, for assaulting and causing actual bodily harm to a policeman during a picket-line disturbance at Bristol in January.

But Mr. Justice Wood, sitting in private, granted Mr. McKenlay leave to appeal against his sentence and directed that the appeal should be heard as soon as possible. Mr. McKenlay's solicitor said later it might be heard in London next Wednesday.

PC Jonathan Mattick alleged that Mr. McKenlay, a Western Daily Press reporter, had butted him during the National Union of Journalists' provincial strike.

Engineering union merger hopes suffer new setback

BY ALAN PIKE, LABOUR CORRESPONDENT

THE LONG-SOUGHT engineering union amalgamation suffered a new setback at the hands of the Amalgamated Union of Engineering Workers' engineering section national committee in Eastbourne yesterday.

Members were divided 26-26 on whether to ratify executive proposals to amalgamate the union's smaller sections with the engineering section on a transfer of engagements basis and Mr. Terry Duffy, president, declared that the motion was not carried. In February, a recall of last year's national committee endorsed the plan, but the Left-wing has greater voting strength on the new committee.

At this week's conference of the AUEW foundry section in Bournemouth, delegates voted in favour of their members being balloted on a transfer to the engineering section, subject to the separate identity of the foundry workers being maintained. But the two other sections, TASS (white collar) and Construction are unwilling to complete the amalgamation in this way.

The objective is to bring the four semi-autonomous sections into a fully amalgamated union, and for several years this has proved impossible, largely because TASS refuses to submit its full-time officials to the process of periodic re-election which exists in the other sections.

Mr. Duffy said during yesterday's debate that he did not envisage the engineering section national committee ever moving from the election of officials to an appointment system.

Referring to the Electrical and Plumbing Trades Union and others with which the AUEW would like to amalgamate, he said: "We must tell you that if you wish to amalgamate you much change your rules." The national committee's insistence on elections, said Mr. Duffy, had retarded merger talks with the EPTU, where most officials are appointed, but "we have not waffled, we have told them that is your view."

Mr. John Boyd, general secretary, said TASS had made it clear that, although future officials would be subject to election, it was not prepared to tolerate any interference with the position of existing appointed officials.

The committee will debate further motions on amalgamation this morning. If these also produce deadlocked votes, Mr. Boyd said the executive would act in the interests of the good government of the union "influenced by events of the past." This suggests that the executive will still try to act on the basis of the recalled committee vote in February to bring in the foundry section.

Leaders of the Sheet Metal-workers' Union are also engaged in amalgamation talks with the AUEW.

Mersey dockers to meet on pay

By Our Labour Staff

A MEETING of 6,000 registered Liverpool dockworkers will decide tomorrow whether to accept an £8 a week pay increase to raise their basic rate to £66.50 a week.

The Liverpool Port Employers Association said a bonus deal and holiday pay improvements had also been offered.

UK—ELECTION NEWS

Trevor Humphries

Mr. John Moore, campaigning on the run

Parading at the double with the Tory who is almost too good to be true

BY ELINOR GOODMAN

AT 10.06 precisely, the quiet of a Croydon suburban street is shattered by a high volume amplified recording of Seventy-Six Trombones. It comes from a large primrose camper-van which has drawn up at one end of the road.

Out of the back leap six people who run up the neat garden paths and knock on the doors like an Army of Avon representatives. "Toffee apple for the first one to find anyone at home," somebody calls in encouragement.

Behind them comes Mr. John Moore, the Conservative candidate for the most marginal seat in the South-east, Croydon Central, and the hot favourite as winner of the Thatcher Prize for Productivity on the Doorstep.

One of his assistants indicates that she has found a voter and he streaks off in what looks, from a distance, like a frenzied game of tag but is, in fact, his way of trying to make contact with practically every voter in his constituency before May 3.

He races up the garden path, introduces himself, shakes hands inquires whether he can be of any help then rushes off to shake another hand.

By 10.17, the street is deserted. John Moore's travelling circus have moved on leaving in its wake 32 shaken hands, 88 houses leafletted and a general air of breathlessness.

It was this kind of approach, and others learnt in America, which helped Mr. Moore hold on to Croydon Central in February 1974, despite a boundary change which took several thousand Tory voters out of the constituency. He retained it in October 1974 — albeit with a majority of only 164.

The constituency contains a fairly representative cross-sample of the electorate though unemployment is below the national average—thanks partly to the vast office complex in the centre—and wages are probably slightly above the average.

In parts, the neat private housing estates and large detached houses make it look like typical Tory territory, but it is dominated by large council estates like New Addington and Waddon.

With its predominantly working class electorate, Labour should, on paper at least, stand a good chance of winning it.

At 41, John Moore is a vice-chairman of the Conservative Party and, as a model of Mrs. Thatcher's new breed of self-made Tory he seems almost too good to be true: blond, good-looking and smooth-talking.

On top of all this, he is chairman of the London branch of an international bank and, judging by his reception from his supporters on doorsteps last week, he is an active local MP.

Mr. Moore sees himself as a progressive Conservative: tough on fiscal policies and to the left on social issues.

They still are by some residents: One shopper last week told him he had a cheek canvassing in New Addington.

The main issues in Croydon Central, he said, are those on which the election is being fought nationall — prices, tax, trade union power, law and order and educational standards.

Immigration is apparently not an issue despite a fairly large immigrant community, while judging by the relatively small number of council houses sold so far, council tenants will have to be offered big discounts to excite much interest in this subject.

By contrast, the Labour candidate, Mr. David White, is probably the kind of aspiring MP which his leader would probably prefer to do without in Westminster were it not for the fact that he is fighting a seat which Labour needs to win if it is to get an overall majority.

A mild-mannered but very committed socialist, he looks more like a timid accountant who has ruined his eyesight poring over a ledger than the revolutionary Trotskyist he has been branded as in some parts of the press.

Mr. White, who lost his seat as the GLC member for Croydon in the last election, rejects all labels but he sees no reason to hide the fact that he supports Militant, the Marxist paper for Labour and youth" and that he is in favour of wide-scale nationalisation.

He is, he says, fighting the campaign on a "bold socialist platform" of Labour Party policies as well as stressing local issues like housing and the proposed extension of the ring road.

The message blasting from his car microphone is simple: "Mr. White would represent the working man against the ravages of capitalism and the interests of the very rich which the Conservatives represent."

The signs last week, though, were that Mr. White's abrasive socialism — or, at least the version of it in the Sunday Express—was alarming some middle-class Labour voters.

Listening to Mr. White explain his tactics last week, the face of the Liberal candidate, Mr. Paul Johnson, briefly lit up.

Mr. Johnson, an assistant plans manager in an insurance syndicate, says he will increase the 7,834 votes the Liberals polled in October 1974.

As well as the candidate from the three main parties, the voters of Croydon Central are also being offered the choice of voting for a candidate for the Workers' Revolutionary Party.

The real battle, though, is between Mr. White and Mr. Moore. As one Labour supporter said last week as Mr. Moore sped past her: "He does look horribly confident, doesn't he?"

October 1974: J. Moore 20,390 (C), D. Winnick 20,226 (Lab), I. Maxwell 7,834 (L).

Candidates: J. Moore (C), D. White (Lab), P. Johnson (L), P. Gibson (WRP), M. Soper (Ind. C).

MONDAY: Liverpool

Tax 'credibility gap'

BY PAUL TAYLOR

LATEST OPINION poll results show a "credibility gap" over the Tory election campaign promise to cut income tax, Mr. Peter Shore, Environment Secretary, said yesterday.

Pressing home the results of the Marplan poll, published in the Sun yesterday and showing the Tories with a 7 per cent lead, Mr. Shore said that the "moment of truth" of every election campaign had arrived.

The Labour Party's Press conference in London clearly reflected the relief among Labour that the results of the latest opinion polls are showing the Conservatives' lead narrowing.

Mr. Shore said: "I believe a credibility gap has opened up on the central tenet of the Conservative Party in this election campaign—I refer of course to their major commitment to slash income tax and their manifesto's failure to tell us where they will make up the money."

Other speakers raised main issues of the campaign. Mrs. Shirley Williams, Education Secretary, attacked the Tories' policy on pensions, which, she said, would lead to a widening gap between earnings and pensions.

Contrasting that with Labour policy, she repeated the manifesto pledge to phase out the television licence for pensioners. She added that Mrs. Thatcher was Education Secretary five years ago, by which time today's school leavers should have completed their primary education

Tory price 'dishonesty'

BY PAUL TAYLOR

MR. JOHN SILKIN, Agriculture Minister, accused the Conservatives yesterday of being "totally dishonest" about prices.

Mr. Silkin, speaking in Leicester, said that Mrs. Thatcher was "covering up" on the effect of further devaluation of the green pound on food prices.

The Tories, he said, took Britain into the "high-food-cost Common Market" and said the treaty had made Britain "the paymaster of Europe."

Earlier, Mr. Silkin, speaking in Lincoln, said that farmers and consumers alike were being "cheated" by the Common Agricultural Policy and that only Labour "had the guts to stand up in Europe on behalf of Britain."

In Bristol, Mr. Anthony Wedgwood Benn said that the Tories were preparing to use their "favourite weapon"—the Red Scare. The tactics would rebound on those who used them, he said, and accused the Tories of having "a very low opinion of the intelligence of the British people" in thinking they would believe the scare.

Conservative public expenditure cuts would lead to a £108m reduction in the Welsh Office budget, Mr. John Morris, Secretary of State for Wales, said in Cardiff yesterday.

Former Minister defects

BY IVOR OWEN

ANOTHER FORMER Labour Minister, Lord Wilson of Langside, called yesterday for the return of a Conservative Government.

In announcing his enlistment in what he termed "the ever-growing army" of former MPs and Ministers who are deserting the Labour Party, he strongly criticised the leadership of Mr. James Callaghan.

Lord Wilson, a Scottish Law Officer throughout most of the period when Labour was in office during the 1960s, accused the Prime Minister of being in the grip of an obsession to retain power at all costs.

It had clouded his vision and explained why he had "lost control of events in party, Government and country."

Although he played a leading part in opposing the Government's devolution plans for Scotland, Lord Wilson is not widely known and is rated by Labour leaders as a figure of minor political significance.

Nevertheless, Conservative campaign managers paraded him at the party's Press conference in Glasgow to demonstrate the effect of what Lord Wilson described as the "influence of the fanatic Left" on Labour moderates.

Steel renews call for people's parliament'

BY JOHN LLOYD

MR. DAVID STEEL, Liberal leader, called yesterday for a "People's Parliament," endorsed the role of the National Enterprise Board and the Scottish and Welsh Development Agencies; and told the Liberal Party Press conference that a "real poll" had shown a 25 per cent swing to the Liberals.

The swing was registered in the Dorrington division of Worthing, where a Liberal beat the sitting Conservative in a local council by-election on Thursday, on a 25 per cent swing. The Liberals gained 1,941 votes, the Conservatives 1,861 and Labour 383.

Asked about the Liberal Party's views on Government intervention in industry in general and the microelectronics industry in particular, Mr. Steel said: "I don't think that private industry can cope with the microchip." The NEB and the development agencies had a big role.

Mr. Steel agreed that the scope and powers of the agencies was "just about right."

Repeating the theme of the "People's Parliament," one in which no party had an overall majority, Mr. Steel said that such a Parliament would "be for the benefit of all the people in this country, not rigged for the benefit of one side or the other."

Asked for the Liberal view on Ireland, Mr. Steel said that the party had believed in the long-term unity of Ireland since the days of Gladstone. A "new opportunity" for unity had opened up in the common membership by Ireland and the UK of the EEC.

Mr. Steel added that election deposit rules should be changed to avoid frivolous candidates standing for election.

"The monetary penalty is now so low as a result of inflation as not to have the desired effect of keeping off the cranks and those who have commercial benefit to gain."

● Mr. Callaghan would become "the prisoner of his socialist Left wing" if the Labour Party were returned to power, Mr. Steel said in Galashiels.

The Lib-Lab pact had "strengthened the hand of those who wanted to get on with the business of putting Britain's economy back to rights against the socialist ideologies of the Left, who are more concerned with their theories than with the real state of the country."

Mr. Richard Wainwright, who is defending Colne Valley, said that "the petty squabbles between two machine politicians had bored the public stiff."

It had been left to the Liberal Party to focus attention on the big choices, "especially whether we are to be governed by a properly elected Parliament or misgoverned by the Trade Union Congress and big business."

Mr. Alan Beith, who is seeking re-election in Berwick, said the Conservatives' assisted-place scheme in private schools would deprive the comprehensive system of funds.

"A return to the selective system would be yet another example of party dogma and adversary politics exploiting a vulnerable section of our society."

Ban stays on Waugh address

THREE APPEAL Court judges decided yesterday not to lift a ban on an election address by Mr. Auberon Waugh, the columnist, who is standing in Mr. Jeremy Thorpe's constituency of Devon North.

On Thursday the Appeal Court reversed an earlier High Court decision and granted Mr. Thorpe a temporary injunction preventing Mr. Waugh from publishing his election address. Yesterday Mr. Waugh asked the court to lift the ban.

In dismissing the application, Lord Denning said that the election address was "nothing more or less than vendetta against Mr. Jeremy Thorpe."

The address was likely to prejudice Mr. Thorpe's fair trial at the Old Bailey on May 8 on charges of conspiracy and incitement to murder.

Lord Denning was sitting with Lord Justice Waller and Lord Justice Cumming-Bruce.

Wealth tax risk

AN "AVALANCHE of Mentmores" will result from the introduction of a wealth tax, according to Mr. George Howard, President of the Historic Houses Association.

EEC opposed

ONLY 38 per cent of Scottish voters want Britain to stay in the European Economic Community according to an ORC poll published by The Scotsman.

Employers' plea

SIX PROMINENT employer organisations, including the Confederation of British Industry, have sent all candidates a manifesto calling for widespread tax reform and other measures to help smaller businesses.

Half-fare flights

BRITISH AIRWAYS is offering half-price return fares on all its flights between the Continent and the UK next week, to enable Britons overseas to return to vote in the general election. There will be a similar concession for Britain's first European election on June 7.

'Consult us'

INDEPENDENT trades unions representing more than 500,000 managerial, professional and skilled staff have urged the leaders of the three main parties to agree that they should be consulted in future when industrial policy is framed by the Government of the day.

Odds shorten

ODDS ON a Conservative election victory offered by Corals have shortened from 3-10 to 2-7, while those for Labour have eased from 5-2 to 11-4. There was considerable backing for the Conservatives yesterday and in one ten-minute spell, wagers totalling £20,000 were accepted.

Film go-ahead

THREE APPEAL Court judges in London lifted a ban yesterday on televising part of a regional election film by BBC Birmingham only 30 minutes before it was screened. The BBC successfully appealed against an injunction for Mr. James Marshall, who is seeking re-election as Labour MP for Leicester South. He objected to the programme because it also featured the local National Front candidate.

Convincing

A PARTICIPANT in the BBC phone-in programme "election call" started as a "don't know" and ended by pledging himself to vote Liberal after talking to Mr. David Steel. An assurance that the Liberals would support the ending of legal protection for enforcing the closed shop secured the support of Mr. John Griffiths, of Evesham.

Prior pledges aid to small businesses

BY JOHN LLOYD

JOBS, and the central position of private enterprise in their creation, were the themes of the Conservative Party Press conference yesterday, which saw Mrs. Margaret Thatcher and Mr. James Prior, employment spokesman, giving a ringing endorsement of the future of (relatively) unfettered capitalism.

Mr. Prior said that the Conservative Party favoured small businesses, a reduction in State intervention, and tax cuts, because there was no other means of creating employment and beating inflation.

"Our present economy is like a patient in bed, doped with tranquillisers and unable to move. You have to get him back of bed, and slowly help him back on his feet.

"That means support and encouragement while you nurse him back to full health. All this takes time, but unless we start now we shall remain the sick man of Europe."

Mrs. Thatcher declared that "we are finding that we have more young people with us than ever before," because they "had identified the Conservative Party as the one which can give them a future."

Replying on the impact of microelectronic technology on industry and jobs, Mrs. Thatcher enjoined people not to be afraid of new technology. Great changes had been made over the past 50 years and society had adapted to them.

"The microelectronic industry has got where it is today through private industry. Give the chance for private industry to flourish and you will be surprised at the result, though I will not be."

On investment, Mr. Prior admitted that the Conservative Government of 1970-74, of which he was a member, had been optimistic in its assumptions that industry would invest, but said that it was beginning to do so by 1974.

Mrs. Thatcher said that investment was low because the return on it was low, and blamed the Price Commission for cutting profits. Mr. Prior said that recent freeze on bread prices, instituted by the Price Commission, was "purely politically motivated."

Thatcher in fine voice

By John Elliott

RUMOURS OF Mrs. Thatcher's lost voice dominated the Conservative leader's only visit yesterday to the hustings when she went to the Constitutional Club on Putney's Embankment, south London.

She was to have gone first to the Conservative Club in Fulham, when, according to local party workers, she would have met stallholders in the nearby North End Road street market.

Rumours spread through the market that she had lost her voice the night before.

As a result, a rival attraction at Putney took the form of Mrs. Dulcie Challoner, aged 64, Fulham stallholder and Tory worker, in a light blue ensemble, with a photograph badge of her leader.

Mrs. Thatcher's voice, meanwhile, was doing quite ...

When the rumour of the lost voice persisted, a reporter challenged her directly. Springly forward, she cried loudly (but perhaps hoarsely?): "My voice is fine—do you want a demonstration?" Pleased with the volume and impact, she repeated the exercise, and added: "I don't always use it at full power, you know."

Warning over union deals

BY IVOR OWEN

COMPANIES that buy off unions with wage increases they cannot afford were warned not to look to an incoming Conservative Government for help by Sir Keith Joseph, industry spokesman, last night.

Speaking in the marginal constituency of Lichfield and Tamworth, he declared: "Baling out companies which get into difficulties because of unrealistic settlements conceals the nature of economic reality from union negotiators and leads to greater unemployment as we grow less competitive."

Sir Keith, one of Mrs. Margaret Thatcher's chief policy advisers, also called for the widest possible encouragement of wage flexibility.

It should be explained that workers could price themselves into as well as out of jobs.

He emphasised the importance of restoring differentials so that skilled people who had left their skilled roles would find it worthwhile to return.

He emphasised that special factors were responsible for the fall in unemployment shown in the April count.

Mr. Francis Pym, Shadow Foreign Secretary, at Swansea, produced a "top 10" of smears and scares which, he claimed, were being used by Labour.

They included Mr. Callaghan's accusation that a Conservative Government would stand aside and watch companies collapse, leading to unemployment exceeding 2m.

He denied that a Tory victory would result in an immediate increase in food prices through the devaluation of the green pound. The Conservative manifesto stated that the aim would be to devalue the green pound within the normal lifetime of a Parliament.

At Ipswich, Mr. Patrick Jenkin, social services spokesman, reported being told by many people who had consistently voted Labour in previous elections that they would support the Conservatives on May 3 "because someone has got to do something about the trade unions."

In a statement from Conservative Central Office, Mr. Reg Prentice, the former Labour Cabinet Minister, fighting Daventry for the Conservatives, quoted new evidence that London's Labour Party is "firmly in the hands of the Far Left."

Callaghan keeps his distance

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN kept his attendant Press firmly at bay yesterday.

At a Cardiff factory as he arrived at 9.30 am to meet constituents were the reporters and television crews he had left late the previous night in Manchester. He was not overjoyed.

"I don't need any photographs," he snapped at the cameras. "With respect, I'd be glad if you would stay outside and let me go round and see my constituents in my own way."

The factory canteen dispensed mugs of tea. Then, 30 minutes later, Mr. Callaghan, visibly relaxing among his voters, smiled again for the photographers.

Mr. Callaghan chatted in the canteen, grinned at girls wearing Labour rosettes, mused over machines, unbent to pick up votes.

The only trouble was that little could be heard above the clatter of the plant's cigar rollers and the hiss of steam.

Reporters learned a lot about cigars—but scarcely got a whiff of Mr. Callaghan's words.

Nor did they learn much more later at Llanrumney High School. Mr. Callaghan went in to talk to 40 sixth-formers, five of whom will be voting for the first time next week.

He was accompanied only by a camera and a reporter.

Liberals expel Bailey

BY ROBIN REEVES

THE LIBERAL Party's decision to expel Mr. Christopher Bailey for forging a local Lib-Con pact in the Prime Minister's Cardiff, South-east constituency was described as "highly autocratic and un-Liberal" by an unrepentant Mr. Bailey yesterday.

His expulsion was announced unexpectedly at the Liberals' Press conference in London yesterday. No move had been expected until after the election.

It followed consultations among the executive committee of the Welsh Liberal Party.

ON THE STUMP

Old-fashioned radical populist turns on the charm

BY RUPERT CORNWELL

FIRST, the car. The Bennmobile is a modest blue Escort estate car, fitted out on the roof with a boxed-in white chaise-longue from which the Energy Secretary can harangue the multitudes.

As befits a man evidently as fascinated by gadgets as by new political ideas, he rigged it up himself ("it took me a fortnight," he admits with a grin). When his wife, Caroline, is driving, the statesman aloft can communicate with her by intercom.

The first stop yesterday was St. Bernadette's Roman Catholic school in his Bristol, South-east constituency. "Just like the Pope," observed a rather nonplussed master, on witnessing the extraordinary vehicle draw up outside.

The oddest thing, though, was that Mr. Anthony Wedgwood Benn, whose 8,000 majority is not impregnable, had come to talk about politics to sixth formers, few if any of whom were old enough to vote, six days before next week's general election.

He is, one suspects, more than anything an old-fashioned radical populist, and that supreme rarity, a man whose political arteries instead of hardening to the Right with age open more and more to the Left.

It might have been because I was from the Financial Times, unlikely to indulge in a "Red Tony lashes out" story, but he was courtesy and charm itself when he visited a factory in the neighbouring highly marginal constituency of Kingswood.

The audience was respectful, interested, but hardly enthusiastic. On yesterday's evidence, Mr. Benn is one of the few Labour politicians from a prosperous background who does not adjust his accent to suit his listeners.

On the other hand, it is that feline smoothness, his habit of saying revolutionary things in the most reasonable of tones, that so outrages his opponents.

Then it was back to the school to talk about the life of an MP, or as Mr. Benn would say, trying to increase popular involvement in the political process.

Someone once observed that whether you agreed or disagreed with him, history would judge him as a man who gave politics a good name. They might be right.

Ian Hargreaves looks at the parties' promises for transport

Manifestos differ on what seems best

DURING THE last Parliament it became common for people in the transport industries to talk, usually with relief, about the emergence of a "politically bipartisan transport policy."

There was no better evidence of the accuracy of that judgment than in the issues on which the Opposition transport spokesman was most vocal.

Mr. Norman Fowler, Conservative candidate for Sutton Coldfield, spent much of his time investigating and speaking about three issues: the need to improve and extend the information in British Rail's accounts; the desirability of modifying the bus operator's licensing system to stimulate competition; and a review of the treatment of minor motoring offences.

Worthy as those questions are, they did not embody a root-and-branch political assault on the approach of Mr. William Rodgers, Transport Secretary. There was no suggestion, for example, that British Rail or National Bus was being given too much public money.

Mr. Rodgers, who took office in September, 1976, published the following summer the first comprehensive transport policy review for a decade, to be followed by an important Transport Act.

Not to be left out, the Conservatives published their official transport review, The Right Track, in September, 1977.

It would be hard, however, to separate the two philosophies on key issues, such as the correct level of public spending for transport: the future of the rail network: the size of the road-building programme; or the effect of transport on the environment.

In the main party manifestos, however, it is a different story. The three documents are specific as to their outlook on transport, and instantly recognisable in political dogma.

Labour proposes to extend nationalisation in the ports and road haulage industries; help railways more to win freight from road; keep the rail network at its present size; and continue to subsidise buses heavily.

The Conservatives promise to sell shares in the National Freight Corporation; insist on higher productivity from British Rail; and expose State and municipal bus operators to more private competition.

The Liberal Party, whose pact with the Government was made in the run-up to the Transport White Paper, has been thereby forced to harden up its rather vague, ecology-orientated sentiments into something closer to policy options.

Its manifesto promises support for a rail-only Channel Tunnel; more spending on canals; quick introduction of tachographs into lorries for road safety; and limitation of road building to "socially desirable projects."

Most of those running Britain's transport industries undoubtedly prefer the centrist approach of the last Parliament. They are probably justified in regarding Labour's manifesto talk of more public ownership as little more than that in the foreseeable future.

That creates curious anomalies when transport men are trying to assess which party would be best for their business.

Take the road-building lobby. It feels that the Conservative Party is its natural ally in pressing the case for more roads as vital to privately led economic recovery. It associates the environmentalist opposition to that view with the railways and rail unions and the Labour and Liberal parties.

Yet it cannot ignore that there is powerful "let's preserve rural England" sentiment among the Tory leadership, most obviously associated with Mr. Angus Maude, chairman of the party's research department, whose wife is one of the best known anti-motorway campaigners.

The same goes for the railways. In a Conservative Government, of course, there would not be the same reliance upon the counsel of the National Union of Railwaymen. But there would be mighty powerful pressure from the strong Tory commuter lobby to avoid action on grants that would raise fares faster than inflation and from the Conservative shires against British Rail's plan to close 700 miles of loss-making line.

Over buses there is the basis of a clear, rival approach. Labour, having witnessed a 10 per cent decline in bus passengers in the past four years and a sharp increase in public subvention to £218m last year, has decided to bolster the existing system with more public money.

The Conservatives believe that there is a well of private-sector bus resources, impeded from providing alternative and in some cases supplementary services by the Traffic Commissioners' obligation to respond to objections about duplication of services from established, mainly public sector, operators.

Perhaps the most fascinating issue of all is that of the National Freight Corporation, the State road haulage conglomerate. The Conservatives will sell shares in the rump of the business (possibly excluding the improved but still problematic National Carriers, which may go back to the railways).

NFC's management would undoubtedly welcome such a move as supporting their efforts to run the corporation in a competitive, private-industry style, as indeed they have had to with only 8 per cent of the market.

However, if private investment is forthcoming and NFC succeeds, presumably it will not be restricted from expansion by acquisition. Would that constitute extending the public sector, as the Labour manifesto promises? In a sense it would, depending on the stake in the business the Tories retain for the State.

On one point, however, the industry is worried. Only under Mr. Callaghan was the Department of Transport separated from the massive Department of the Environment and given, once more, its own voice in Cabinet. There is an almost general assumption in the industry that Mrs. Thatcher would not rank transport at Cabinet level.

THE WEEK IN THE MARKETS

Equities ignore the polls

The opinion pollsters have been doing their best to turn Thursday's General Election into a cliffhanger, and the equity market, which has relied for much of its recent strength on the prospects of a Conservative victory, might have been expected to suffer accordingly. But either the market's recent advance has been more broadly based than has been generally assumed, or fund managers have an unshakeable faith in their political judgement. On Tuesday the FT 30-share index jumped 11 points and the following day it touched a record closing high of 552.7.

Overseas investors have been less sanguine, however, and sterling has continued to lose ground, falling two cents or so before recovering to $2.0550 yesterday.

Gilt-edged could make only a little progress against this background but there was no real selling pressure and the present high trading range has been maintained, with only the highest - coupon long - dated stocks showing gross redemption yields of 12 per cent.

Staving off Lonrho

The three directors of Scottish and Universal Investments (SUITS) opposing the £60m cash and share offer from Lonrho bolstered their defence this week with a proposed 30 per cent dividend rise and a 29 per cent pre-tax profits improvement for the year to end-March last.

Stripping out SUITS' 10 per cent stake in House of Fraser, the three opponents claimed, Lonrho was trying to take out the industrial interests at a discount of £18.7m to their true value using a current stock market average p/e of just over 9.

The defence also added a scatter of sniper fire to this financial salvo. Among six material objections to the partial use of Lonrho paper in the consideration, the three directors pointed out that Lonrho took 70 per cent of its stated earnings in Africa where it has had to "submit to nationalisation or local participation in its activities in at least eight countries between 1967 and 1978."

"Tiny" Rowland, chief executive of the pan-African conglomerate was undeterred. The defence, he said, "may have all the partial charms of theatre bill boards."

Yesterday the pace quickened, as a group of City institutions offered to buy the Fraser family trustee shares in SUITS in an attempt to keep them out of Lonrho's hands.

LONDON

ONLOOKER

House of Fraser, meanwhile, is not playing games. If, with 40 per cent of SUITS in its locker, Lonrho wins the next crucial stage of the battle it is a reasonable bet that it will train its guns on the prestigious department store group. House of Fraser, it seems, is already digging its foxholes.

The accounts published during the week contain two potentially strong bulwarks. A property revaluation on a 55 per cent sample of the portfolio taken in 1977 and 1978 show a surplus over book value of 50 per cent for freehold properties and 75 per cent for long leaseholds. That suggests an excess of £90m which would life asset backing from about 180p to 270p per share. Analysts were thinking during the week that an up to date appraisal would indicate assets of perhaps 300p per share.

The Board is also anxious to lift dividend income. The Treasury seems unwilling to allow House of Fraser to "establish a basis which would allow us to pay dividends beyond the present maximum amount" but the group is considering the advantages of a scrip issue and shareholders can expect an announcement "in due course." The City is estimating that House of Fraser would be prepared to reduce dividend cover from the present level of around 3.4 to two times fully taxed earnings.

Vickers suffered two heavy blows last year but the group has at least maintained its dividend. Pre-tax profits slumped from £25.1m to £11.7m after a trading loss of £8.7m in the offshore operation and the absence of the nationalised interests while earnings were eliminated by an extraordinary charge of £18.3m. The offshore business, since sold to the National Enterprise Board for a give-away consideration, was rmesponsible for two-thirds of this below-the-line damage. Compensation for nationalisation is still dragging its feet but the group is confident that growth will be resumed by its remaining activities.

A profits vacuum

Recent experience has taught the market to expect poor figures from Hoover, but the first quarter results were bad enough to send the shares spinning 25p lower. A pre-tax profit of £2.4m in the first quarter of 1978 had been considered disappointing, but this year there was a loss of £0.6m. On further inspection the figures improved somewhat: currency translation losses and redundancy costs took out £1½m. and the hauliers' strike about £1m.

Hoover is still hoping to beat last year's profit figure for the year as a whole—a modest target, as it only made £5.3m in 1978. Any improvement requires wider trading margins, and the company claims that the price increases it is now passing on, together with the savings in cost from a smaller workforce, will allow a better return. The shares picked up 15p to close at 170p.

Hoover is still suffering from the effects of a strong pound on its home market—imports of white goods, particularly Italian washing machines, are still the company's main problem.

Also suffering from the exchange rate is BSR, exporting its record-changers very largely in the U.S. market and finding its price increases there immediately eroded in sterling terms by the weakness of the dollar. High U.S. interest rates hurt the company badly as wholesalers in the U.S. cut back the stocks of its products, and now demand seems to be slipping, forcing BSR to go onto a shorter working week for the first time since 1974. The shares, already weak, slipped back to 60p where they yield over 13 per cent.

Put not thy trust

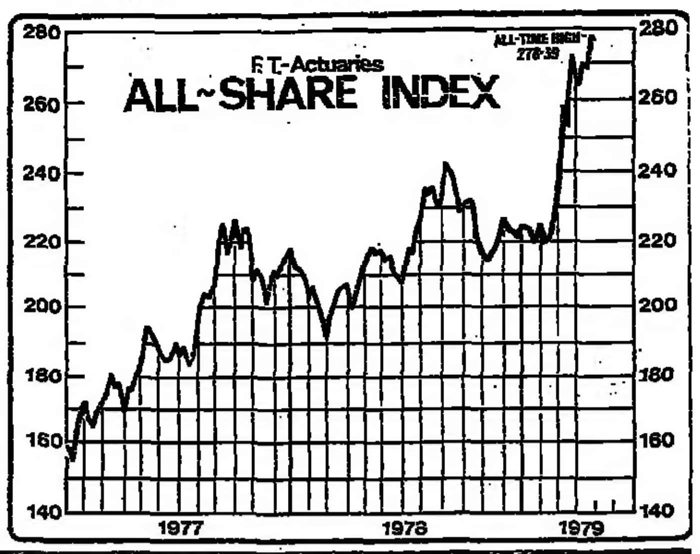
Mercantile Investment Trust has emerged somewhat battered but still very much intact from Tuesday's lively annual meeting. Only a handful of shareholders turned up the same time a year ago but on this occasion there were few empty seats as proceedings began in the dimly lit hall of the Chartered Insurance Institute. The reason was a highly controversial resolution tabled by 109 dissident shareholders calling on Mercantile's directors effectively to liquidate the company.

The implications of such a motion, if successful, would have been enormous—almost certainly the beginning of the end of the investment trust sector as groups of dissatisfied shareholders sought to eliminate the discount, the difference between the break up value of a trust's assets and its share price.

Not surprisingly, however, in view of recent increases in the trust's asset value and dividend and the persuasive argument that some unquoted investments could only be realised at well below book value, the Mercantile board won the day. Its victory, nevertheless, was by no means overwhelming. Only 36 per cent of all shareholders bothered to vote and of those who abstained for tactical reasons the Save and Prosper Group (with a 5.5 pe rcent stake) promised both to keep an eye on thesituation and, if necessary, to find an alternative solution to the problem of high discounts. All this despite S and P's close links with merchant bankers Robert Fleming, Mercantile's managers.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM MARCH 29

	% Change
Metals and Metal Forming	+6.5
Breweries	+6.4
Entertainment, Catering	+5.7
Mining Finance	+5.7
Investment Trusts	+5.6
Insurance (Life)	+4.5
All-Share Index	+1.8
THE WORST PERFORMERS	
Overseas Traders	−3.5
Wines and Spirits	−3.8
Office Equipment	−3.8
Pharmaceutical Products	−4.5
Insurance Brokers	−5.8
Toys and Games	−7.8



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	547.9	+ 9.2	552.7	446.1	Revived institutional demand
Brocks Group	137	+22	137	71	Microprocessor acquisition
Brown & Jackson	630	+85	640	218	Acquisition/capital proposals
Cape Industries	193	+18	196	130	Revived bid hopes
Dowty	326	+16	335	252	Investment buying
Foseco Minsep	190	+23	192	148	Favourable annual results
Hardy (Furnishers)	73	+15	77	35	Speculative demand
Harrison (T.C.)	152	+20	152	97	Excellent annual results
Hill Samuel Warrants	315	+105	318	40	Buying in thin market
Home Charm	367	+23	373	229	Good figures/scrip issue
Impala. Plat.	198	+22	234	170	Producers' price rise rumours
Messina	107	+15	111	56	Bid speculation
Pleasurama	163	+25	165	89	Revived bid hopes
Sheffield Brick	58	−12	76	49½	Annual profits setback
Tarmac	203	+15	203	154	Results above expectations

Looking for diversification

NEW YORK

JOHN WYLES

ONE HAS TO BE careful where one says it and, indeed, to utter it in the vicinity of Wall Street may risk a thunderbolt and sundry other punshments from the gods, but it could be argued that the U.S. stock market is boring. After all, the blessed thing never seems to go anywhere. Here we are in the late 1970s and the Dow Jones is still trading a path that was well worn more than a decade ago. Thmere is a vast—well, large—industry dedicated to maintaining our interest in equities and appealing to our sense of greed by recommending phalanxes of stock which will enrich us in one way or another.

The powers of chance sustain some individuals' involvement in the markets but institutions must be more responsible and systematic. They have employed a variety of means to be so from indexing (ownership based on stock's relative weighting in an index such as Standard and Poors 500) to portfolio diversification into money market instruments and long-term bonds. But in the main the pickings have been meagre and as a result, pension funds, in particular, have been looking to place their investments elsewhere with overseas stock markets proving an increasing attraction.

Noting this trend, Mr. Robert Salomon Jr, a partner and director of stock research at Salomon Brothers, this week calmly dodged thunderbolts and issued a stock research letter titled "International investing: a response to boredom." Mr. Salomon believes that institutional interest in diversifying investment outside of the U.S. is greater than at any time since the early 1960s. This stems from the "seemingly interminable period of mediocre performance by the U.S. equity market" as well as a number of other factors including prolonged weakness of the dollar, changes and clarification in key U.S. laws and regulations, wider reporting of foreign companies' operations, better trading and liquidity in foreign markets than a few years ago and the rise of modern portfolio theory based on "meaningful" diversification.

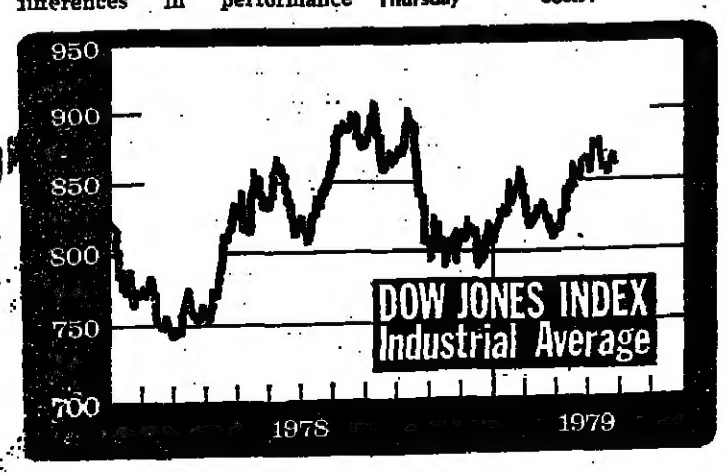
As Mr. Salomon demonstrates, differences in performance between various world markets coupled with the substantially better returns available elsewhere have strengthened academic arguments that international diversification is a legitimate means of risk reduction, but he suggests that currency appreciation may be one of the key factors encouraging U.S. institutions to broaden their horizons. With the exception of Japan and the UK, most of the other markets have performed poorly when their price performance is not adjusted for exchange rate fluctuations. How much U.S. pension funds have already invested abroad is a matter of guesswork but Mr. Salomon believes it is more than $1bn and may be closer to $2bn. Whole future growth will be tempered by the needs of pension funds to match assets and liabilities in the same currency, he would not be surprised to see foreign securities accounting for as much as 5 per cent of pension portfolios over the next ten years—possible between $10bn and $15bn.

The observer of the U.S. stock market, rather than the participant, is less likely to be gripped by the frustration and boredom which Mr. Salomon suggests is generated by the market's poor performance. The way in which events in the world outside influence or fail to influence investor behaviour is endlessly intriguing. The market, as we know has been stoical and even indifferent to the steady deterioration in the U.S. economy over the last few months. The patch on its Nelson's eye has been made up of stable interest rates and strong corporate earnings which have tended to underline the cheapness of many stocks.

But some of the more familiar Pavlovian responses to money supply figures and inflation may be starting to emerge. The 12 per cent annual rate of increase in March's Consumer Price Index published this week was higher than generally expected and was accompanied by a much more muted optimism than before from the administration about the prospects for an early slowdown in the rate of price increases. But with U.S. institutions casting around for investments abroad, one market's loss may be another's gain.

CLOSING PRICES

Day	Close	Change
Monday	860.10	+3.12
Tuesday	866.86	+6.76
Wednesday	867.46	+0.60
Thursday	860.97	−6.49



FINANCE AND THE FAMILY

Sleeping policemen on a private road

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

We live on a private road, the freehold of which is held by a company, whose members are the residents. It has been suggested that ramps (sleeping policemen) be installed to check speeding, but some of the company's directors are a bit worried about this. If a serious accident occured could, for example, a director be held culpable by the police?

We think that there could be a risk of the kind which you envisage, but it would be difficult to find a basis for a prosecution: road traffic offences would not arise on a private road; and any damage to property would not be motivated by the intent necessary for criminal damage. While we cannot give a categoric assurance that no offence could be committed the risk of prosecution must be small.

A persistent parker

How can I prevent the nearby owner of a transport business parking his taxis and coaches on my land, over which he has no more than a right of way? I have approached the police and an official of the local county court, but have not received any useful advice. I am afraid that, among other things, the proprietor of the business may eventually gain possession of the land by prescription.

Your remedy lies in proceedings for an injunction, and this may be pursued in the County Court. Your claim would be for damages for trespass (and, possibly, nuisance) and for an injunction to restrain future trespass. You would be wise to consult a solicitor and to take proceedings in court if the neighbouring owner is not willing to give undertakings equivalent to the injunction which would be sought.

Rights of a tenant

My landlord has, under the Leasehold Reform Act, 1967, the right to purchase the freehold of the property in which I live. Could you tell me what are my rights as a statutory tenant during the period between his serving a notice under the 1967 Act and actually acquiring the freehold interest?

If your landlord has served a valid notice to purchase the reversion, you will continue as his tenant. Otherwise you will have become a tenant holding directly of the reversioner when your landlord's lease expired.

Central heating and rates

Referring to your reply of March 17 under Rateable value increase, in which a reader stated he had installed central heating five years before, you advised him not to take steps to inform the Valuation Officer, but to let him make a proposal for an increase, if he so wished. While I agree with your advice, is it not the case that in about 1954, it was enacted that central heating installations should not give rise to an increase in assessment for rates?

We agree with you that a valuation for rating purposes cannot now be increased on the sole ground of there having been an installation of central heating; but that position applies to central heating installed since April 1, 1974, not 1954. Section 21 of the Local Government Act 1974 is the authority for this dispensation; and it is presumably intended to encourage the modernisation of properties by removing the penalty which used to attach to the installation of central heating where it was likely to lead to an increase in the rating valuation.

A visitor from Australia

I am a native of the UK and my wife of Australia, but we both lived in the UK prior to September 1976, when we emigrated to Sydney, New South Wales. I draw no income from the UK but we would like to come and spend a holiday lasting from April to November, 1979. Am I likely to have a lot of UK tax to pay?

For 1979-80, you and your wife will both be resident here (for tax purposes) because you will be spending more than 183 days here out of the 366.

Your wife is probably domiciled either in her native state (to be precise, the state in which her father was domiciled at the time of her birth) or in New South Wales. You may have acquired a New South Wales domicile of choice, or you may be considered still to retain your domicile of origin in England and Wales (or wherever it was). It is a pity you did not say anything about your respective domiciles.

However, if you have access to a copy of the Australia-UK double taxation agreement (dated December 7, 1967)—perhaps in a local reference library—you will see that article 3(2)(b)(i) should enable you to be treated as resident in Australia only, despite the fact that you are actually resident in both Australia and the UK.

So far as we can tell from the limited data, therefore, your visit to the UK is unlikely to be prohibitively expensive in terms of tax.

Payments from Monaco

A lady is divorced from a permanent resident of Monaco. No settlement was made at the time of the divorce but subsequently the ex-husband by word of mouth agreed to send her £400 a month for her upkeep and that of her child this being her sole income. Can the lady consider the money to be paid after deduction of tax, which I believe to be non-existent in Monaco?

If the divorce was granted by an English court, and if the oral promise was made in England (or elsewhere in the UK), then the payments do not appear to be taxable in the hands of either the mother or the child; that is to say that we do not consider the payments to fall within case III of schedule D.

If, on the other hand, the oral promise was made overseas, the tax position is not quite so clear, because the scope of cases IV and V schedule D is rather wider than the scope of case III. In the (perhaps unlikely) event of the payments being caught by one of the cases of schedule D, they would at least be exempt from investment income surcharge by virtue of section 21 of the Finance Act, 1978. For 1977-78 only, the excess over £1,500 would be taken into account for investment income surcharge purposes.

Car hire abroad

INSURANCE
JOHN PHILIP

THIS TIME last week I was returning my hired VW "Polo" to its owners after nine days and 700 miles of driving around *eastern Crete. The car I had* hired from an internationally reputable company whose brochure had offered "third party liability and property damage insurance as per the conditions of our insurance policy" with named, but to me then unknown, insurers.

The brochure detailed nine of what it called "conditions of rental" including two which by no stretch of legal imagination could be called conditions, but which read as follows:—

"Insurance: the customer can obtain full collision protection by purchasing a Collision damage waiver at Drs 140 per day for car groups ABC . . . without CDW customer's responsibility for collision damage is first Drs 19,000 for groups ABC. . . .

"Personal accident insurance is available for Drs 55 per day per car." To give you a rough idea of the sterling amounts involved, at the time the exchange rate of 75 Drachmas to the £.

At the outset this was all the insurance information offered, but I had done a little homework in the preceding 24 hours by collecting brochures from other operators in the town, only to find them couched in very much the same terms. In all the brochures, as with their counterparts, in this country there was no specific insurance charge mentioned—the insurance cost, apart from the optional extras, was included in the operators' daily and weekly rates.

Maybe I did have a slight edge on other hirers because I did know that in Greece the compulsory law requires the private car to have liability insurance for both injury and damage: what I had not thought to check back at home was whether injury liability cover included for passenger insurance—my deduction from the offer of personal accident cover was that maybe the compulsory liability insurance law did not require my passenger liability to be covered.

Nevertheless, there was little enough to go on and as a potential customer wanting to hire a car I had felt I was forced either to rely on the judgment and bonafides of the hire operator and assume that he had got the best motor insurance bargain for me and his other customers having regard to his reputation and past experience, or I was obliged to engage in protracted and perhaps fruitless enquiries.

Without hope of fulfilment I asked could I have complete details of the insurance cover: as expected I got a polite regretful no and an explanation that the policy was held at the main office in another town and then would not be in English. But I was told that there were limits of liability, 400,000 Drs for injury and 200,000 Drs for damage: these at current rates of exchange are roughly at £5,000 and £2,500 respectively and totally different from the unlimited injury liability required by UK law and from the minimum of £½m damage liability cover provided on hire cars by UK insurers in this country.

What was not explained to me, and what I have since discovered, is that the passenger liability cover provided in fact did not include my liability to members of my own family—cover which as a British motorist I have enjoyed for many years and which I think most Britons will assume is standard all over Europe.

I mention these insurance points because when one is hiring a car on holiday, one is concerned principally with getting a mechanically sound and safe car from a reputable firm: one is apt to overlook insurance aspects in the urge to get mobile and get away exploring new territory.

Many Britons this year will be arranging fly/drive package holidays: probably as many will be hiring locally at their destinations: and almost without exception all will have inadequate insurance information, when they are at higher motoring risk than at home, driving an unfamiliar left-hand drive car, on strange roads, perhaps over difficult terrain, and in alien traffic conditions.

As I have said before in connection with holiday insurance in general — though there has been some improvement in recent years — British tour operators in their brochures and documentation still give too little insurance information to enable the customer to know precisely what he is buying. What is true of general holiday insurance is even more true of the motor insurance details provided in connection with fly/drive holidays sold from this country: doubtless the information is available if the would be holiday-maker digs it out — if indeed he thinks to dig it out or has time to insist on the information being provided. But there is considerable room for improvement in the brochures and leaflets I have examined here at home and they ought to be much more explicit, even though the UK tour operators, their overseas car hire firms and the latter's overseas motor insurers are not bound by the statements of insurance practice agreed by British insurers with the government in 1977.

Improvements can be made here at home, but perhaps not very much can be done to get adequate advance insurance information to the British motorist who arranges his hiring abroad, except where he makes arrangements with the firm recommended by his tour operator. Before making the recommendation (and thereby earning his commission) the Tour operator should make certain that full insurance details will be readily available and fully explained: a little pressure on these lines might even persuade local insurers to improve the cover offered and to provide a more extensive list of what to them are optional extras but which are to visiting British motorists essential features of "Comprehensive" insurance.

COMPANY PROFILE SPILLERS
RAY MAUGHAM

Spillers is no longer fighting a rearguard action in the troubled baking industry. With hindsight, Spillers French Baking never stood much of a chance over the long term against the twin onslaught of the price controls introduced by the last Conservative government and the competitive edge secured by Associated British Foods after modernisation in 1972.

But the scars of over five years of baking losses may now be allowed to heal cleanly. Management will enjoy the luxury of looking at the whole group with a fresh eye and deciding what parts its wishes to keep, which it wants to rationalise and, above all, of building a worthwhile track record. The chances are that Spillers will be given the chance to prove itself undisturbed by the attentions of a predator. The food manufacturer has long been regarded as a potential bid victim but it has just searched its share register and found, for the time being at least, that no nominee has built up a strategic holding.

The market is now uniformly convinced that profits will reach around £30m pre-tax in the current year and that the dividend will be restored but retains doubts about milling, agriculture and the Modern Maid acquisition.

Modern Maid failed to hit its target last year, a slip which Spillers has attributed to "considerable delays and difficulties experienced with the start-up of new production facilities at Evansville, Indiana." Given that MM was acquired just two months before the decision to close SFB was taken, the deal may be seen as an important affirmation of Spiller's confidence that it could grow in new areas. Details of how the U.S. company failed to meet its budget so badly—Spillers admits that the shortfall was substantial—are hard to come by. Rectification of certain design specifications of the half completed plant appear to have played a part while the patterns of family ownership seem to have been disturbed by the injection of new management disciplines from an overseas public company.

Competitive pressure, the group stresses, precludes the publication of divisional profits but stockbrokers Henderson Crosthwaite are probably near the mark with an estimate that milling contributed around £10m at the trading profit level last year against £11m.

Whatever the case, milling is by far the most important division. Total trading profits last year amounted to £19.34m against £13.47m and Spillers faces the problem of replacing consumption by Associated British Foods and Ranks Hovis McDougall when current agreements run out in 1983 and 1993 respectively. It may be that the deals will be renewed although the decision is still some way off. At any rate, Spillers is confident that the independent bakers, which probably control 30 per cent of the UK bread market, will support deliveries from its own mills. Moreover, some 40 per cent of flour production is used in other divisions. But Spillers is by no means immune from the difficulties faced by a market where the long term decline in bread demand appears to be accelerating—white bread deliveries dropped by 9 per cent in the fourth quarter last year.

Many parts of the group have performed well. Mario and Franco restaurants produced record results, domestic foods also hit a new peak despite the high street price war (the transport strike boosted sales of tinned meat and pies) and the petfoods division stands in second place in a buoyant market. The market is now hoping that in the absence of baking's drain on management time and resources the clouds in agriculture, milling and Modern Maid will be quickly dispelled.

A question of boom or bubble

MINING
PAUL CHEESERIGHT

A QUICK GLANCE at the latest quarterly income and dividend figures from major groups and individual mines suggests an industry breaking through to new levels of prosperity, thrusting aside the bad memories of a recession lasting three years. But it is as well not to be too hasty in making a judgment.

Many economic indicators affecting mining have substantially improved since the 1978 third quarter, said Mr. Ulrich Rath, mineral research coordinator at the Mining Association of Canada. The question is whether "we are witnessing the beginning of a genuine boom or just a short-term bubble."

There is no clearcut guidance from the companies themselves. Obviously too much should not be read into the results of one quarter, especially in view of a reluctance among companies to look more than a few months in advance.

In the U.S., Freeport Minerals announced that shortly it would report 1979 first quarter earnings of about $1.45 (70p) a share, compared with 48 cents in the same quarter of last year and $2.07 for the whole of 1978. The recovery in profits which first became marked in the last quarter of 1978 has continued, but Mr. Paul Douglas, the president, would go no further than a prediction that the recovery would continue for around six months.

At Rio Algom, the Rio Tinto-Zinc group's Canadian arm, first quarter net profits were C$19.2m (£8.2m) and a first dividend of 75 cents (32p) was declared. In the same period of 1978 the profits were C$12.8m and the dividend was 54 cents. But the company warned that the high level of earnings would not be necessarily maintained for the rest of the year.

Even Asarco, the U.S. copper producer which has more cause for rejoicing at a sharp improvement in figures than most, has coupled remarks about the good outlook with a word about economic downturn. The message from the group, however, would be generally accepted in the industry: it is that the worst is over.

"Even if the now apparent flattening in business conditions in the U.S. runs its course, we do not anticipate any repetition of the sharp downturn in the metal markets that occurred in 1974," said Mr. Charles Barber, the president. "The fundamentals remain sound," he added.

In the first quarter of last year Asarco had a net loss of $11.1m. This has been turned round into a 1979 first quarter net profit of $37.3m (£18m), and during the week the quarterly dividend was doubled to 20 cents (9.8p).

Such improvements in corporate profits, added to the shortages which have appeared in certain varieties of high-grade copper, have stimulated companies to bring back into operation capacity closed down over the last three years. But brand new projects remain a rarity.

This week, however, Teck Corporation, the expanding Canadian group, stated it would start work next month on the development of a copper-molybdenum deposit in the *Highland Valley* district of British Columbia. The investment will be C$150m (£63.5m).

When the mine comes on stream in about 18 months' time, it will have an annual capacity of 50m lbs of copper and 4.5m lbs of molybdenum. At that rate of production the mine's life would be 14 years. Teck is completing arrangements for the sale of the copper and has signed a contract with Metallgesellschaft of West Germany for the sale of all the molybdenum output.

Teck and Metallgesellschaft, in fact, are drawing closer together. Metallgesellschaft has held 10 per cent of Teck since 1977. It is now to buy more Teck shares and build up its stake to 18 per cent, in the process increasing Teck's liquidity by about C$22m.

One group where liquidity is emphatically not a problem is De Beers Consolidated Mines, the South African leader in the international diamond market. At the end of last year, its cash balances stood at R1.29bn (£743.9m). In the course of a record 12 months they had doubled.

Whether the 1978 net profit figure of R741m will be much exceeded in 1979 is open to doubt. In his annual statement, Mr. Harry Oppenheimer, the chairman, was vague. "I believe it will prove to be a satisfactory year for De Beers," he said.

Certainly the conditions on the diamond market were abnormal last year—the boom, especially in the first half, was hectic and unprecedented. But trading is quieter now. Demand for rough stones continues at what Mr. Oppenheimer called "a high level," but Christmas jewellery sales were lower than expected.

This year De Beers will benefit from the prices rises of last year and this could compensate for any modest downturn in the market. What the group will be anxiously watching is the progress of the economy in the U.S., its biggest market.

Meanwhile the effort to boost diamond production is continuing unabated. Output from the Namaqualand mines has matched that of the operations in Namibia (South West Africa), where production is likely to be static for some years. More diamonds are now coming out of Botswana while production from the Kimberley area of South Africa is increasing, helped by the re-treatment of waste dumps.

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

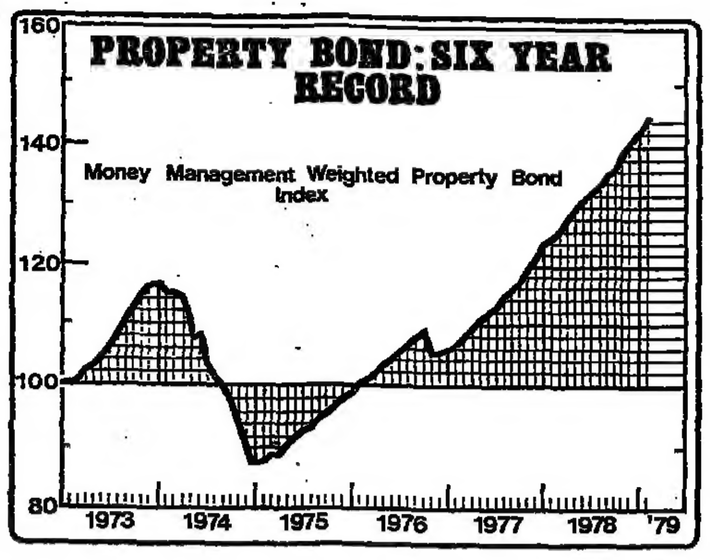
EDITED BY EAMONN FINGLETON

Property prices have boomed in the past year—but how much have investors in property bonds benefited? **Ray Maughan** thinks they should have few complaints

High-rise property bonds

PROPERTY BOND managers have had a lot to live up to recently. The latest Economist Intelligence Unit's *aggregate* index of commercial property values rose by 26 per cent in 1978. And the FT-Actuaries property share index, which hit a 1978 peak of 270.23 late last December, has topped 360 this week.

Measuring property price trends, however, is notoriously *difficult and the EIU acknow*ledges that its index, calculated as part of a project for Michael Laurie and Partners, probably overstates last year's boom. One point to bear in mind is that the index has an equal weighting of office, retail and industrial property.



So in an attempt to get a better yardstick for measuring property portfolio performance, the EIU aggregated a wide range *of* actual portfolios managed by insurance companies, pension funds, property bonds and property unit trusts. The value of this £1.5bn portfolio rose by 14 per cent in 1978 reflecting a near-50 per cent weighting towards the office sector where values are estimated to have risen by only 12 per cent.

Adding in rental income, the total return on the portfolio last year was 20.8 per cent. That still gives the property bond manager a good target to beat and his chances of success may have been enhanced by an above-average weighting in the shop *sector, where the return* was 24.1 per cent, and in industrial premises where the return was 23.3 per cent.

Although comparisons must always be rather tentative due to the imperfections of the property market (property cannot be traded as readily as equities and the purchase of an individual site can swallow a large tranche of cash flow), the property bonds appear to have beaten EIU's portfolio performance—but not by very much.

The Money Management *Weighted Property Bond Index*, which covers the 10 largest *funds*, showed a rise of 15 per *cent last year*.

Few grounds for complaint then by bond holders.

Yet direct institutional investment in property has fallen. Latest figures from the Central Statistical Office show that property accounted for 21 per cent of institutional cash flow in the first quarter of 1978 and then fell to 11 per cent in the following three months before making a marginal bond.

Prime yields, stockbroker W. Greenwell commented last week, are looking expensive in relation to equity yields. The EIU agreed that yields of 4.5 per cent for prime City space "must now be nearing the limit."

The prospective bond holder *should* realise that, if Greenwell's and the EIU are proved right, the investment emphasis *will* turn to secondary properties and the resurrection of new development. The upturn in *the value of prime, completed* sites may start to level out.

RIDING THE BOOM: HOW THE BIG TEN FARED

	Value of fund £m	Rise* in price during 1978 %	Rise* in first two months of 1979 %
Abbey Life	294.0	14.1	1.9
Hambro Life	129.0	12.2	2.4
Property Growth	32.8	13.5	2.3
Irish Life	72.3	23.5	2.2
Save & Prosper	35.6	14.2	1.1
Hill Samuel	17.6	15.2	1.1
Tyndall	8.8	14.6	0.6
Merchant Investors	23.8	14.0	1.5
Guardian	14.0	26.1	1.4
City of Westminster	12.2	15.3	0.0

* Offer-to-offer

Source: Money Management

Money Monitor

Assisted passage

The Port of London Authority is not in quite as much of a mess as the Mersey Docks and Harbours Board was in 1970—but it is heading that way.

This week's report and accounts must make sombre reading for holders of the £20m of outstanding Port stock. Losses doubled in 1978 to £17.6m. and Sir John Cuckney, the public sector trouble-shooter brought in to save the PLA, admits that the port is now technically *insolvent*.

Against total reserves of £54m in 1974 the port now has *an accumulated* deficit of £6.5m and having lost £4m in the first 12 weeks of the current year (partly due to the lorry drivers strike) the port looks like sinking deeper into the red.

*Last year the volume of busi*ness dropped by 3 per cent and the PLA is not very optimistic about increasing its trade.

The other problem is that with £100m of debt, interest charges are crippling the PLA and so some sort of capital restructuring is inevitable if the port is to survive and invest the £60m or so over the next five years that it reckons is necessary.

The situation is not yet, however, as bad as it was when Mersey Docks defaulted in 1970. For a start the loan stocks are secured on the *assets* as well as the revenues of the port. In a break-up, investors would benefit from sales of some of the valuable property. In addition, following the Mersey Docks debacle, the Government can now make loans from the National Loans Fund to prevent another default. This, however, is not the same as an official *guarantee*.

The 6½ per cent registered Port Stock 1987-90 is yielding just over 20 per cent at its current price of 40. If you think the PLA will still be around in *five years time, the investment* will have paid for itself.

Source search

If the recent bid for Debenture Corporation has whetted your appetite for the investment trust sector, you will have a job finding out which shares to back.

Private investors are largely excluded from the lavish investment trust information services many big stockbroking firms *provide for institutional* clients. And smaller stockbrokers, are not only unlikely to be well-briefed on investment trusts but are likely to prefer to shepherd private clients automatically into unit trusts. These are much more profitable from a stockbrokers' point of view.

The best starting point for private investors is probably the Association of Investment Trust Companies' *monthly statement* of members' assets per share. This is normally published in the Financial Times on the third Friday of every month. The figures refer to a few weeks earlier but investors can update them fairly accurately by extrapolation using 30-share and Dow-Jones indices.

Among major stockbrokers, Wood Mackenzie is one of the few firms which keep private clients regularly informed on developments in the investment trust sector. Its arrangements depend on individual circumstances but a client whose shares turnover reaches more *than £10,000 a year would be* considered for a free monthly investment trust review including a *print-out* of up-to-date asset values. The service is also available on a fee basis to clients who deal less actively.

Wood Mackenzie's address is Erskine House, 68-73 Queen Street, Edinburgh EH2 4NS (Tel.: 031 226 4141).

You get cards summarising a *trusts' financial positions and* history from Extel Statistical Services, 37-45 Paul Street, London EC2A 4PB for £1.15 each including postage.

The Association of Investment *Trust Companies now publishes* a yearbook covering all members. The second edition, *to be published at the end of* May, can be ordered at a special pre-publication price of £7.50 from Financial Times Business Publishing, Minister House, Arthur Street, London EC4.

In the topsy-turvy world of modern investment theory, the mediocre is beautiful, writes **Barry Riley**

The random walker's guide

THE JOB of a portfolio manager is to pick a selection of attractive shares. Right? Wrong, *says Paul H. Richards in his* new book* on the behaviour of stock markets. The best portfolio is the one that shows the most growth in a given period. True? Probably false, says Richards in a volume which seeks to debunk some of the cherished claims and assumptions of the professional investors in the City.

Modern portfolio theory has had a tremendous impact on *investment management in the* United States, but has been slow to take root on this side of the Atlantic. *The main reason is* that, for the investor (and especially the professional investor) it is pretty unpalatable stuff. For the essence of the theory of efficient markets is that information is immediately reflected in share prices and it is not possible to make money simply by being cleverer than the next man.

Nobody claims that the theory applies in absolutely every case. *If the chairman of Foster's Hen* Netting tells you at the golf club that he is quietly buying *more shares, and you should too* before the bid news comes out, that is inside information which will enable you to make super ior returns.

But the big companies like Shell or United Biscuits or Tube Investments are constantly being put under the microscope by investment analysts and their shares are constantly being traded in a competitive market.

The greater chance of making money in the small company sector is one reason why so many fund managers have recently chosen to dabble in offbeat shares which, once, they would have turned their noses up at. *For the managers of big* funds have come up against a harsh *fact* which cannot be *ignored: in the long run they* do not manage to beat the market indices.

In the U.S. this failure has led to a big move by many funds away from normal investment management techniques, and the promotion of "index" funds which seek to duplicate the structure of a key market index. If you buy the index, you cannot underperform it (ignoring costs). Attempts to sell the same idea are being made in the UK but—apart, it is said, from one *pension fund*—the resistance is stiffer.

All the same, big changes are taking place in the attitude of institutional investors in this country. By and large, claims about performance have been *toned* down, and a broadly spread approach is taken. Not much time is spent on the individual choice of shares—whether the fund should buy Shell or BP. This is left to investment analysts at firms of stockbrokers. Instead, the fund managers carefully keep track of the different sectors in their *portfolios*, and how they compare with the weighting in the market as a whole, as measured by the All-Share Index *and* its many subdivisions.

Fund managers also constantly debate whether they should be fully invested or partly liquid, whether they should be buying shares in foreign markets, and whether—if their terms of reference extend that far—they should be *investing in* property, gilt-edged or perhaps more adventurous alternatives.

This changing approach of the big fund managers fits in, to varying degrees, with the ideas outlined by Paul Richards, a City merchant banker. He certainly does not argue that because markets are efficient there is no place for the portfolio manager. Even the kind of company reviews produced by stockbrokers' analysts are worthwhile, for although self-defeating they are paradoxically necessary to maintain the efficiency of the markets.

Only technical analysis based *on past share price data, such* as chartism, is dismissed as being absolutely futile. Elsewhere portfolio managers can search for markets which are not efficient: it is arguable that the gilt-edged market is one such, because at times it is dominated by one individual trader, the Government broker.

And a key role for the investment manager is in the assessment and management of risk. Different investors can accept different levels of risk, and the varying returns they entail.

Nowhere is risk adjustment needed more than in the case of unit trust performance, an area where investment theory merges into advertising and salesmanship. Here, the public is asked to put up money on the basis of short-term performance calculations which are rarely toned down with warnings about the riskiness of the portfolio other than the standard caution that "share prices can go down as well as up."

It is well known that it is very unwise to buy the unit *trusts* which are topping the one-year performance tables. All too *often they finish near the* bottom a year later. At the end of 1978, for example, the specialised far eastern unit trusts were romping ahead at the top of the rankings. Recently they have looked pretty sick.

This makes sense on the basis that the chart-toppers are likely to be high risk trusts, of a type which will show highly diverse performances. They are likely *to dominate the top placings*, and the bottom placings as well.

Richards quotes evidence that the reason new unit trusts have tended to figure strongly in the performance charts is simply that they show widely dispersed returns caused by poor diversification. The top performing new trusts catch the eye—but the evidence shows that new unit trusts are also more likely to figure at the bottom of the table.

The message is that the most attractive, best-managed unit *trust could* well be one that is unsung and unnoticed, nestling somewhere just above the *middle of the list*. To some extent its merits will come to the fore over a long time span. But even then its position could reflect one big gamble which came off, and which might go the other way if it were ever repeated.

* *UK and European Share Price Behaviour: The Evidence by Paul H. Richards; Kogan Page; £12.00.*

Four days in the life of a cheque

EVER WONDERED what happens to your cheque after it has been paid in at the bank? Well, Sinclair Veal is the man to *tell you*. He runs the Bankers Clearing House at 10 Lombard Street and they call him the *chief inspector although not all* his predecessors were described as such. The first one was a *publican* and *ran the* "Five Bells," late of Dove Court.

Every working day Veal and his team handle something like 5m cheques with a face value of £14bn. Last month was quite a good one and well over 100m cheques with a value of over £300bn passed through the clearing house. Every cheque in England and Wales and drawn on another bank group, passes through Veal's domain.

BANKING

WILLIAM HALL


Hugh Routledge

Veal: £14bn a day

In fact Veal's job is one of the simpler parts of the operation. The life of a typical cheque starts when it is paid in over the counter of a bank. If the cheque is drawn on another bank, it leaves for London by overnight security van and arrives at the bank's clearing department just before 9 am *the following morning*. It is then sorted and picked up by one of Veal's 20 odd electric *cars (they can carry up to* 300,000 cheques at a time) which deliver it to the clearing house between 9 am and 11.45 am.

In 2½ hours all the various banks' cheques are shuffled around on trolleys and sent back to the individual banks before lunch. This is known as the "general" clearing and although it accounts for the vast bulk of the country's cheques, the most money changes hands in the afternoon at the "town" clearing which takes place between 2.30 pm and 4.45 pm. This deals with cheques for more than £5,000 face value drawn on any one of the 100 odd branches in the City. This takes in such things as Stock Exchange and money market transactions and last month an average 20,000 *cheques a day with an average* value of £13.5bn went through town clearing.

Normally, the clearing house handles about ten tons of cheques a day which, if stacked on top of each other, would reach five times the height of the Post Office Tower. However, *Veal and his men are modest* about their contribution to the economy. They stress the simplicity of the operation which is admired the world over. But one hates to think what would happen if they lost a van or mislaid a container—the economy might grind to a halt.

While the backroom systems *at the respective banks have* been revolutionised over the past decade by the advent of the *computer. Veal's operation has* not changed much over the last century. In the old days clerks used to walk around the banks presenting cheques for payment and getting cash in return.

To cut down time and enable the banks to hold less cash the clerks decided to take a private room at the "Five Bells," a pub just off Lombard Street, where they swopped cheques with each other. As business grew they overflowed into the house next door, belonging to a Mrs. Irving. Finally, in 1833 they built the clearing house at 10, Lombard Street.

Today, *the clearing house* operates in much the same way as it did 150 years ago. The *main real difference is that* instead of messengers arriving with sacks of cheques on their *backs they now bring them in* plastic containers in electric trucks.

Cheques which go through "town" Clearing (over 90 per cent of the total by value) are settled the same day. But the cheques in "general" clearing, drawn on provincial branches, first go back to the sorting office of the bank and then overnight back to the branch.

On the morning of the third day the cheque appears at the branch on which it is drawn. The local manager then decides whether *to honour it or not*, and in the case of the latter he has to return it the same day. *Finally, on the fourth day the* customer is allowed to draw out the money credited to his account on the first day.

Just add sunshine

AT £2,750 a time, tax havens *have never been cheaper. This* is the price that Towry Law, a top firm of insurance brokers, is charging for setting up a "captive" pension fund—the nearest thing to a tax haven this side of Jersey.

Captive pension schemes allow controlling directors to switch business assets into a tax-free fund and claim valuable tax relief in the process.

PENSIONS

EAMONN FINGLETON

They first caught on about four years ago as custom-built vehicles for the very rich. *Now* Towry Law looks like doing for them what Henry Ford did for *motor cars: it may be only* a matter of time before they will be as natural an investment *option for successful shop*keepers as personal pension plans are now.

Captive pension funds are one-man schemes where the prospective pensioner is a *trustee*. In practice, therefore, he can have wide discretion over the investment policy. He can, for instance, ensure that money taken out of the business to pay for his pension can be immediately ploughed back into it again. *One device is for* the pension fund to lend the money straight back to the *business;* and in certain circumstances the pension fund can buy some of the business's assets.

Either way, from the prospective pensioner's point of view, the pension payments may amount to no more than transferring money from one pocket to another.

But on the way the payments will count as a deduction for corporation tax in the hands of the company. And if, for instance, the businessman transfers shop premises to his *pension* fund, the rent his business pays the fund thereafter for the use of the shop will also count as a deduction for corporation tax. It will be tax-free in the hands of the pension fund.

The captive fund idea also has attractions for businessmen who want to pursue a more con*ventional investment strategy* with their retirement savings. The prospective pensioner can *invest the money* in almost any equities and gilts he chooses so he can enjoy the thrill of playing the stock market direct.

Stanley Jackson, the managing director of Towry Law's pension arm, warns that captive pension schemes are not the panacea they are sometimes portrayed. Under current Inland Revenue rules, for instance, captive funds cannot lend back more than half their money to the prospective pensioner's business. And the assets the fund invests in must meet exact*ing criteria: they must be* realisable at the time the pensioner retires and they must fall *within the range of investments* that a normal pension fund might consider.

That said, the possibilities are enormous. The funding rates the Inland Revenue allows are often astronomic: in the case of a 45-year-old planning to retire at 60, for instance, his business will be allowed tax relief on *transfers each year equal to as* much as twice his annual salary. The multiple in the case of a 55-year-old might be as much as four.

The maximum funding rate is based on an *actuarial calcula*tion of how much is needed to provide not only a full two-thirds pension for the businessman but also the usual pension benefits for his wife. In each case the projected benefits are related to his final salary which will probably be much greater than his present earnings. And the sums can allow for an annual rise of up to 8 per cent in the benefits each year.

Towry Law's charge of £2,750 covers the basic cost of setting up a captive fund tailor-made to a *businessman's circumstan*ces. The firm deals with all documentation through to get*ting Inland Revenue approval*. Afterwards, Towry Law acts as a trustee. Its charge for this service and for *handling the* paperwork on a continuing basis is £250 a year.

PROPERTY

Suitable new uses for stately homes

BY JUNE FIELD

AS MOST of our historic houses are now too large for occupation by a single family, surely it is better to ensure their survival by encouraging them to be converted into flats, old people's homes or even offices, suggests an article in a recent *Chartered Surveyor* supplement, "Can the country house survive?"

"Giving planning consent to *professional* and commercial firms who are willing and able to restore historic houses, provided they can be occupied as offices, would be more to the *point than waving the big stick* at owners who cannot or will not afford houses that are too large for them."

The article also points out that making grants to housing associations for restoration and conversion would be more constructive than wailing at the plight of those who can no longer live as graciously as their ancestors.

To benefit Britain's housing stock it is obviously preferable that historic houses should be converted to living accommodation if at all possible, and various private developers are taking on the job. Connaught Mansions, a terrace of 10 listed Grade I houses in Pulteney Street, Bath, formerly the Pulteney Hotel, used until recently as Admiralty offices, are being converted to 61 luxury apartments by Barratt Developments (Investments) Ltd., as part of their new policy of restoration of historic buildings in good locations.

The impressive facade and many of the interesting original internal features — fine fireplaces, *beautifully* plastered ceilings and handsome marble fireplaces—are being retained. The specification for the conversion is high, with a closed circuit *television entryphone* intended to appeal to the security-conscious. When your visitor presses a button at the entrance, you can see who is calling from the *picture on your own* television set.

A short walk away over Pulteney Bridge is the main shopping area, the Abbey, Roman Baths and Pump Room. (Although Bath's reputation as a *spa* has had a cloud passed over it recently, remedial measures are in hand.)

"We expect this development, in such an outstanding central location in Bath, to become one of the most sought-after apartment blocks outside London," says sales and marketing director David Pretty, who will send a brochure from Barratt, P.O. Box No. 5, Jansel House, Luton. *The first phase* is just being released, at from £20,000 to £47,500, depending on whether it is a studio or three-bedroomed apartment. The first show-flat is planned to be ready to view from Thursday. Enquiries, Wednesday to Sunday, Bath 60023.

Work on completing the conversion of the listed Ancient Monument, Ford Albert, Isle of Wight into luxury flats is going ahead well. The quarter-million pound project has been taken over by the Bridport-based Maltby Property Partnership, and conversion work is being undertaken by their associate company, Olivevale Ltd., which *specialises in restoring* and converting old buildings.

Fort Albert lies between Colwell Bay and Yarmouth Harbour, part of the extensive Victorian defences of the Isle *of* Wight, and the granite and brick four-storey building is a well-known landmark to yachtsmen entering the Solent from the west. Sited on the foreshore opposite Hurst Castle, the flats will have panoramic views from Southampton Water to the Needles. The first phase of the development will be of six one- to three-bedroomed flats, also a penthouse with *its* own roof garden and lookout towers. A slipway, dock and pier will give boat-owners full advantage of the Fort's unique position.

Managing director Malory Maltby says: "We are very excited about the project. The development will create a yachtsman's paradise and, at the same time, save an historic waterside monument. We have had a surprising amount of interest in the project, particularly from people who appear to consider that now is a prudent time to invest in a second home with some promise of substantial capital growth. Boat enthusiasts have compared costs at Fort Albert as being more favourable than a marina."

The present Fort Albert was built in the early Victorian era on the site of a much older castle, said to have been supervised personally by Prince Albert. *It was completed in* 1856, but soon became redundant as the technology of warfare changed. It later became a secret manufacturing and testing *site for an early torpedo, and* some of the launching gear still remains inside the building. During the second world war the building was an anti-aircraft battery.

The Ministry of Defence sold *the Fort* in 1964, and in 1972 Mr. A. G. Figgins planned the conversion of the Fort into flats, but work stopped in 1976 shortly after his death. Landscaping plans include the reinstatement of a 37-ton gun, formerly part of the cliff and battery defences. It is a cast iron, rifled, muzzle-loading cannon capable of throwing a 12-inch shell around five miles, the outside of the barrel nearly six foot in diameter and some 20 feet in length.

The Maltby Property Partnership is owned and run by Malory Maltby and his wife Diana. The conversion of old *buildings into houses started as* a hobby in 1972 when Diana Maltby worked for a firm of architects, and Malory Maltby was a television reporter with Independent Television. The past-time *rapidly became a* full-time business, and the partnership started a subsidiary construction company, Olivevale Ltd., in order to control the quality of work and purchase the special equipment needed to renovate buildings, concentrating on converting old buildings, and now has a six-figure annual turnover.

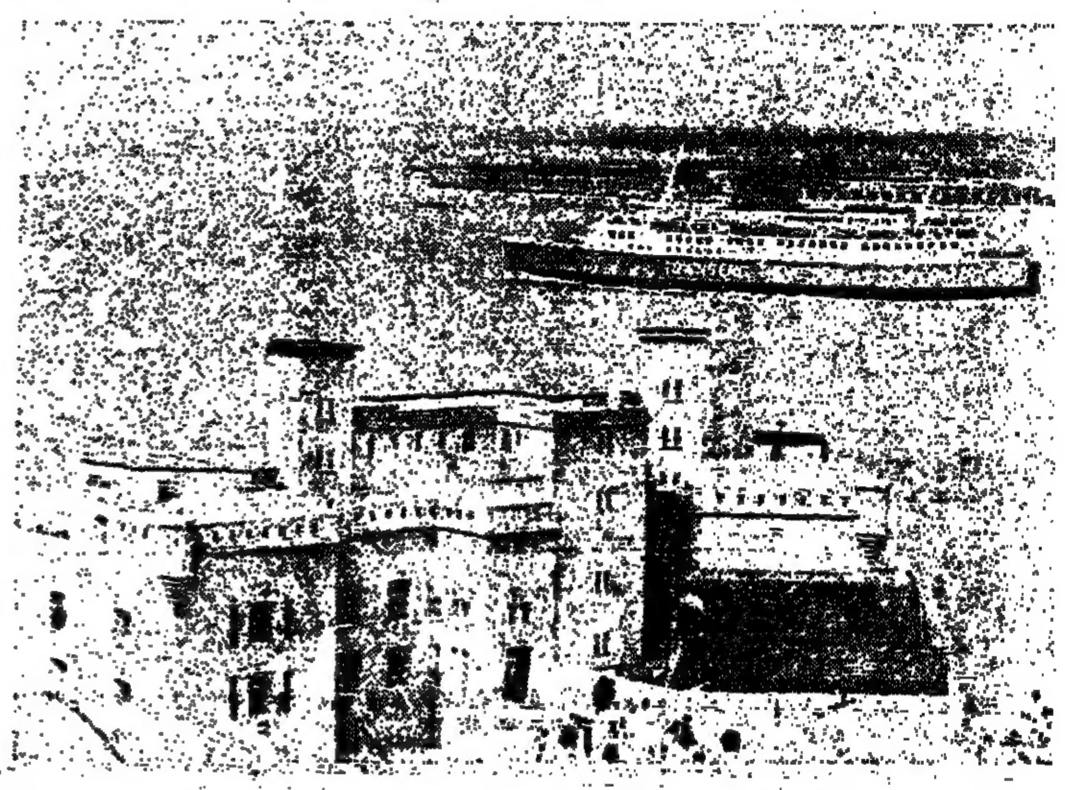
Three of the Fort Albert flats are, *with one already sold*, ready for inspection. Prices are £29,250 and £34,750. For information contact Malory and Diana Maltby on Milford-on-Sea 3474, Maltby Property Partnership, 9, Harewood Green, Keyhaven, Lymington, Hants., or the island agents, Sir Francis Pittis, Avenue Road, Freshwater, IoW, or on the mainland, Jackson and Jackson, of Lymington.

Coleshill House, Coleshill, Buckinghamshire, believed to have been built during the reign of Charles II was originally set in a 250-acre park. In 1850 the house was enlarged and remodelled in late Georgian classical style. Now it has been converted into 8 flats by Chaldonbury Properties of Gerrards Cross. The company has been careful to maintain the Georgian character of the *house as far as is practicable*, the original interior woodwork, panelling, cornicing and moulding being retained and restored.

Mrs. Sheila Kennedy, a director of Chaldonbury Properties, commented: "I believe we have been successful in refurbishing this Grade II listed *building*, retaining and restoring as many of the original features as possible, while incorporating the comforts and requirements of present day *living*."

The flats, most of which have uninterrupted views across open countryside, include independent gas fired central heating and fully equipped kitchens with double ovens and hobs, and the bathrooms are tiled with hand-glazed ceramics while some have gold plated fittings. The last two apartments, at £60,000 and £65,000 respectively, are available from G. D. Garner, A. C. Frost, 1/2, Burkes Parade, Beaconsfield, Bucks.

The fine Georgian Shute House in East Devon, five *miles* from Honiton, 25 from Exeter, has been divided into eight units, selling from £20,000 to £37,500. Each unit consists of three or more bedrooms, living-room with architectural interest, two *bathrooms*, and kitchen. There is a garden and concrete garage base for each unit, and additional paddocks are available in the attractive surrounding parkland. Details John Husband, Humberts, 6, *Lincoln's Inn Fields, London*, WC2, and their office at 59 East Street, Bridport, on what is still available.



Above, Connaught Mansions, Grade I listed building in Bath, is being converted into 61 *luxury apartments at prices from £20,000 to* £47,500. Details David Pretty, sales and marketing director, Barratt Developments (Investments) Ltd., P.O. Box No. 5, Jansel House, Luton. Right, Fort Albert, a listed Ancient Monument, opposite Hurst Castle, *near Yarmouth Harbour, Isle of Wight, part* of the Victorian coastal system in 1856, is being converted into apartments by the Maltby Property Partnership. Two flats are for sale now, at £29,250 and £34,750, through Sir Francis Pittis, Avenue Road, Freshwater, Isle of Wight, and Paul Jackson, Jackson and Jackson, The House On The Quay, Lymington, Hants.

TRAVEL

هكذا من الأصل

Drive, walk, climb, fish, ride or just look at the Rockies

From Canada in the north to New Mexico in the south the great barrier of the Rocky Mountains is the largest natural playground in North America. **Arthur Sandles** in the U.S. and **Sylvie Nickels** in Canada describe their favourite haunts and pastimes.

TIME differences being what they are, at the moment today's newspaper is plopping onto British doormats I should just be going to bed in Denver in preparation for a drive to Moab, Utah. Route 70 is a familiar road, but I have yet to see it without a surrounding of snow, and there is a good chance that there will have been a white backdrop for much of the journey this time, too. Denver itself is a mile above sea level and yet is only in the plain below the climb into the Rocky Mountains themselves. Some of the passes are above 13,000 feet, enough to leave cars gasping for air, and drivers, too, if they are over-energetic in finding a picnic place.

In this area spring comes late, but it comes spectacularly. Suddenly there is an abundance of flowers and the constant sound of rushing water. All that snow melts into some of the world's prettiest waterfalls. It is a bit early for the best of it at the moment, with a very strong chance of snow flurries and cold nights. June is probably the best time, closely rivalled by September when the Aspen and Pine trees combine to produce spectacular colouring.

My own romance with the Rockies started many years ago and I don't think I have ever been disappointed with any part of the range, from the wild forest lands of Montana and Wyoming where you are likely to meet more bears than people, down to the rugged heights of New Mexico, still heavy with Indian and Spanish-American culture.

For the European visitor the most obvious entry points to U.S. Rocky Mountain country are Denver, Salt Lake City and Albuquerque. All these will bring you into the lower half of the Rockies. The Northern area, including the Tetons, is accessable from such airports as Butte and the tiny Bozeman. If you fly from New York or any other East Coast city to Bozeman (make sure you pre-book your rental car) you will get a considerable culture shock, but a pleasant one. Bozeman is a small place in big country.

Denver by contrast is a sprawling metropolis, pleasant enough in its way but, as Michelin would say, not worth a diversion. You can eat and shop in Larimer Square, a refurbished 19th century area, but after that head for the hills. Salt Lake City is worth a bit more time, if only for the Mormons and their influence. Try to hear the Tabernacle choir: they really look and sound impressive. Albuquerque is worth exploration, particularly for its Spanish associations.

But frankly the choice of entry point should largely be made on the basis of which part of the Rockies you wish to visit next.

The best focal points for seeing the Rockies in the U.S. are the National Parks, which are well policed and maintained in the sense that you will find well marked trails and an absence of signs of vandalism. Right against the border with Canada is the Glacier National Park, Montana, one of the few remaining places where there are grizzly bears in the wild. The main season is from mid-June to mid-September. Try to avoid July and August when the main rush of domestic American tourists is in full flood. If you are camping you'll be lucky to find a place then. There are more than 700 miles of marked walking and riding trails. For details of long horse trips with overnight camping (as long as a week) write to Rocky Mountain Outfitters, Box 776, Columbia Falls, Mont. 59912, U.S.A.

A little further south is the amazing and huge (3,400 sq miles) Yellowstone National Park For woodland wanderings, complete with hot springs, geysers, canyons and waterfalls Yellowstone is perfect. There are all manner of additional activities including boating and, again, horse-riding—try Yellowstone Park Co., Yellowstone National Park, WY 82190 for details.

The really high stuff, complete with bighorn deer and mountain sheep, can be found at the Rocky Mountain National Park in northern Colorado. This is particularly attractive territory for those who enjoy Alpine-style mountain-walking—the main difference here is that there are many fewer people in northern Colorada than in the Austrian or Swiss Alps, so do not rely on finding There are guided walks and an attractive mountain guest Houses Forte-owned hotel), has horseback rides. (Rocky Mountain National Park, Estes Park, Colorado 80617).

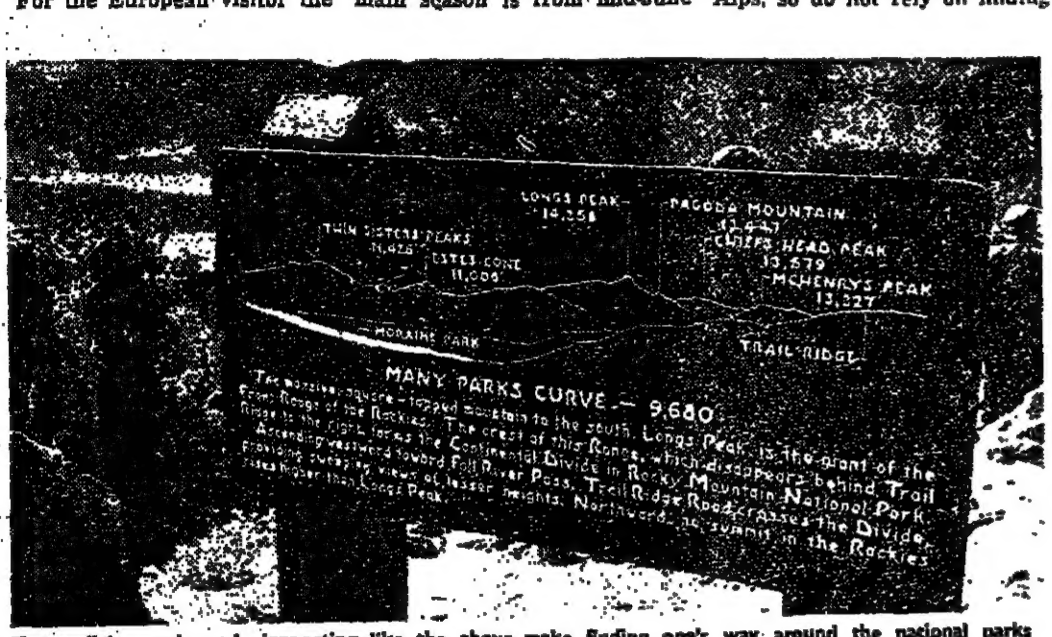
This weekend I hope to catch a glimpse at least of two Utah parks which I have never visited, which is why Moab, a tiny town (but boasting a Trust Houses Forte-owned hotel) has been chosen. The parks concerned are Arches, which needless to say looks the way its name describes it thanks to some ramarkable rock formations, and Canyonlands. Again this park looks like its name but also has spectacular colorations and is best seen, I am told, in the late afternoon and without snow.

Back into Colorado on our trip south and you come across the relatively small, but fascinating Mesa Verde National Park, of particular appeal to anyone interested in Indian culture. Here, long before Columbus arrived, a civilisation arose whose population lived in cliffside dwellings the remains of which are still to be seen. Then, seemingly in some haste, the residents departed, whence and why no one knows.

Purists might argue that Bryce (an amazing city of stone in spectacular colours), Zion (another canyon area complete with desert wild-life and impressive rock colours) and the Grand Canyon National Parks are not part of the Rocky Mountain scene but, for someone who has travelled thousands of miles from Europe to see this are such definitions are pedantic.

In broad terms the Rockies, unless you choose to go in July or August, tend to be light on people and heavy on scenic wonders. Pick June or September and you'll see them at their best wherever yo ugo, and get good room rates. For anyone enthusiastic about the natural life but who likes to know that such sybaritic pleasures as air-conditioned accommodation, hot water and beef-steak are all within reach at a reasonable price then the Rockies cannot be beaten.

Having said that, this weekend it will probably snow.



Fine-policing and good signposting like the above make finding one's way around the national parks comparatively easy.

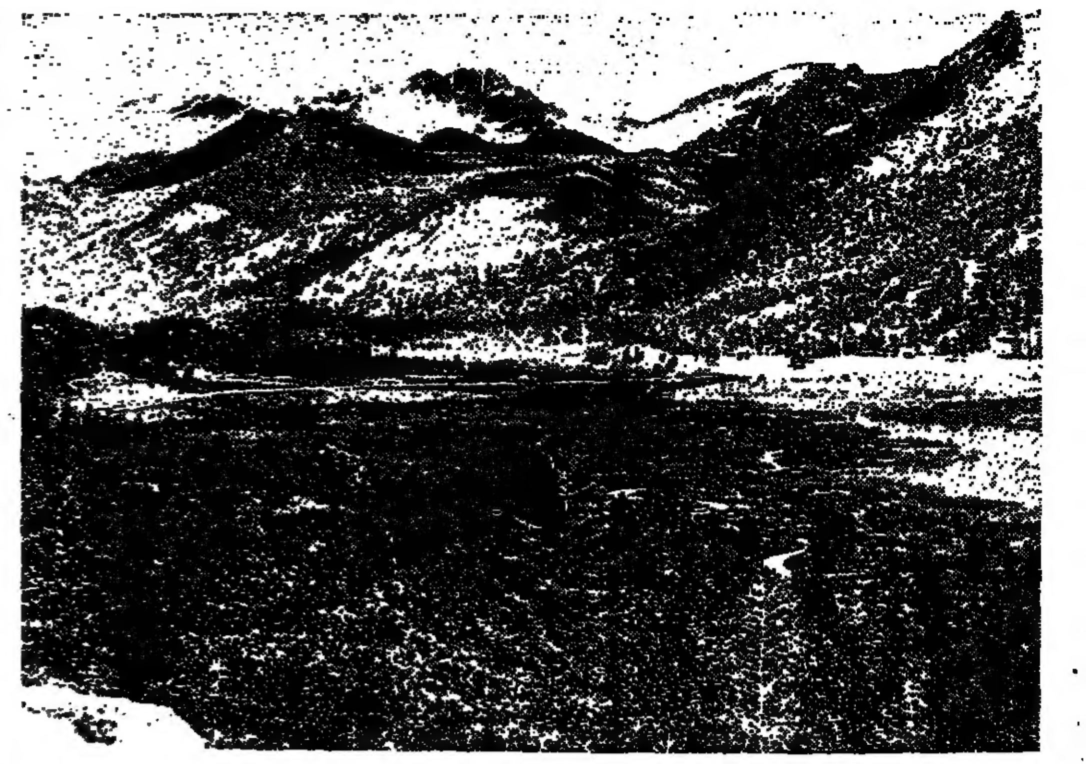
ON OUR way to Cameron Lake that very early morning in July we were waved down by one of the park rangers. "Beware of bears" was the import of his message or, rather, of a particular bear which hard recently and very unusually attacked a child. With a full alert on, our selected forest trail was closed. Instead, we pottered about the lake shore, along with the redpolls and slate coloured juncos collecting their breakfast among the pebbles backed by mountains rising out of their own reflections in waters turned to glass by the morning calm.

Cameron Lake is in Waterton Lakes National Park, one of the less obvious corners of the Canadian Rockies, tucked away in southern Alberta where it joins U.S. Montana. Apart from some picnic areas and camp grounds, all the many amenities are centred at Waterton Lakes Townsite. From here, too, you can take a no-passport boat trip south along the lakes into Montana, crossing the 49th parallel at one of its most dramatic points.

It's all spectacular country, with 110 miles of marked trails rapidly leading you away from humanity. Nor are bears a problem if you follow the advice given in the National Parks' "You are in Bear Country" leaflet.

Western Canada's first, if short-lived, oil well is to be found in the Waterton Lakes area, a reminder that tourism was far from being the first consideration in those rugged pioneering days of the 1880s. The Rockies then were simply one gigantic and seemingly insuperable barrier thwarting any economic flow between the Pacific seaboard and the rest of the country.

Insuperable, that is, until William Cornelius Van Horne achieved one of the miracles of world engineering history by pushing Canadian Pacific Railways right through the middle of it. By 1883, CPR had reached Siding 29 prior to overcoming the final obstacle of Kicking Horse Pass. It had been not only a mammoth but a fantastically expensive operation and it had to be paid for. One of the answers was tourism and so Siding 29 gave birth to Banff, and the splendid French-style chateau of Banff Springs Hotel was built.



Looking across Estes Park, Colorado.

Today Banff is a bustling tourist hub of the Rockies, lying on the direct path of the Trans-Canada Highway. Coming from Waterton Lakes, we could have reached it by paved Highway 93, but we followed local advice and instead took a section of the Forestry Trunk Road, a mostly dirt road which runs for hundreds of miles north along the eastern fringes of the Rockies.

It had the great joy of being blessedly traffic free even in high summer and gave us an unforgettable day of peaceful driving ever closer towards magnificent mountains, shaped and massaged by eons of weathering into exquisite colours and extraordinary contours.

In Banff you can get all the details about local drives, walks, climbs, fishing, riding, golf, wining, dining and beauty spots. Indeed, the combined many thousands of square miles of Banff and neighbouring Jasper National Parks form one gigantic beauty spot, the degree of it simply varying from breathtaking to even more breathtaking. The stupendous loveliness of these high altitude landscapes threaded by lakes, each overhung by craggy mountains and glaciers that look as if they have been there for ever, lives every jot up to its reputation.

Sometimes it is the contrast of so grandiose a wildness, on such a massive scale, that seems at odds with the presence of such highly civilised ease of access. You can take a snowmobile trip on the Columbia Icefields, the world's largest south of the Arctic Circle. You can drive, impeccably signposted, to one after another of unbelievably beautiful viewpoints. You can, with barely the effort of getting out of your car, read well-placed notices offering you instant geology, geography, natural and human history. You can drive your trailer into a camp site and enjoy every modern amenity.

All this, of course, makes it very much easier for those large numbers of us who never allow enough time to stop and stare. The choice is there. If you regret the crowds cluttering up the magnificence of Lake Louise, you can go to Peyto, one of the most glorious of all the lakes, where there are rarely many people and none at all at sunrise, which is the best time of all. And if you want more lasting solitude there is, heaven knows, space enough and marked trails in plenty, given enough time to make good use of a rucksack and a pair of walking boots.

Two other cameos remain indelible. The most endearing was of the Great Divide; whatever I had expected, it was not this modest trickle issuing from a boggy bit of forest near Lake Louise, shortly dividing into two even more modest trickles, one of which would eventually reach Hudson Bay and the North Atlantic, the other the Pacific. The second was near Kicking Horse Pass. It is here that the railway does its most extraordinary and most triumphant contortion to defeat the mountains and, by means of spiral tunnels, doubles back twice upon itself to come out more or less at the same place it goes in, only at a considerably different level. In due course, having abandoned road for rail, we twirled through the Spirals ourselves, westbound on the 500-mile or so stage from Siding 29 to Vancouver.

The ideal way of seeing the Rockies is by freewheeler arrangements with car or caravan/camper, and information on these and other tours are given in "Canada Holidays 1979." free from the Canadian Government Office of Tourism, Canada House, Trafalgar Square, London, SW1.

TRAVEL

MOTORING

IT LOOKS sleek and European but, once again, it is Japanese. The new Datsun Skyline 240K takes the trend to "Europeanise" Japanese cars still further, because its fuel injection and power assisted rack-and-pinion steering are German (though manufactured under licence in Japan) and the tyres on my test car are Italian-made Michelin XVS. The Skyline's 2.4 litre straight-six gives a near silent 70 mph cruising rate at only 3,000 rpm, exceeds 110 mph and returns around 25-26 miles per gallon of two star in normal use. The five-speed gearbox is a joy; the all-independent suspension gives a firmly comfortable ride. When parking, the steering is effortless and at speed is tautly precise. The finish and detail on this Datsun are difficult to fault and the equipment elaborate even for a £6,349 Japanese car. The package includes powered disc brakes all round, electric windows, radio and stereo tape player, headlamp washers and rear window wash-wipe, quartz digital clock and an illuminated diagram that tells you if the doors are shut and if the stop and rear lights are working. Strangely, though, you have to adjust the door mirror from outside. The only snag with my test car is the accelerator linkage, which makes it just about impossible to drive smoothly in traffic. This apart, the elegant Skyline should please the business user who wants his car to be quick, quiet, comfortable and full of practical little goodies.

Tyre power

BY STUART MARSHALL

A TYRE that allows the driver to keep a car under full control after a high-speed blow-out and can be driven on, uninflated, for 100 miles at 50 mph? It seemed like a dream come true when Dunlop unveiled their Denovo more than seven years ago.

They said the world's car makers would soon use it to banish the spare wheel and that tyre makers everywhere would want to make Denovo under licence. Few disagreed, though neither thing has happened.

Denovo's runflat performance proved to be everything Dunlop said it would be but, sadly, the wonder tyre has never really caught on. Only British Leyland have taken it up seriously. For some years they have offered Denovo as an extra-cost option on the Rover and Princess. More recently, it has been available on the Mini Clubman and has become standard equipment on the Mini 1275GT. A few hundred Fiat 126s and a handful of Mirafioris sold in Britain have been on Denovo.

Total sales have been about 200,000 tyres. Early ride comfort problems were solved long ago. Denovo handles as precisely as most modern radials and its safety and convenience benefits are unquestioned. Yet fewer than 5 per cent of the cars that could be supplied on Denovo are actually sold on them.

The reasons are complex. The car makers who tried it in Europe, the U.S. and Japan were not unimpressed but they still gave it the thumbs down. They said it was costly (it adds £45 to the price of a Mini, £100 to a Princess or Rover), too complicated, difficult to fit with automatic machinery and did not save enough weight. As only Dunlop made it, what would happen if supplies were interrupted?

The last thing a new car buyer thinks about is having a blow-out or even a puncture. Most of them, the motor trade considers, feel the presence of a spare wheel in the boot or under the bonnet rather reassuring.

Dunlop, it must be said, agree with none of this. They say that the average motorist gets a puncture every 20,000 miles or three years, the high mileage driver every 29,000 miles or 18 months. (I haven't had one since 1974, during which time I must have motored over 100,000 miles). Dunlop also say that their research indicates a strong desire on the part of motorists to do away with the spare tyre. Firestone, who like all other tyre manufacturers have developed their own runflat but have no plans to market it, have come up with totally contradictory conclusions, which possibly indicates that market researchers may sometimes get the answer they want to hear.

Conversations I have had with motor manufacturers have not indicated any burning desire on their part to be rid of the spare tyre just yet. They don't feel the customer is ready for it.

However, all this may change following the introduction of a new and simpler version of the Denovo earlier this month.

The Denovo 2 looks a much better proposition from the car industry's point of view. Whereas the early Denovo was fitted on a two-piece wheel and had a harness of lubricant containers inside it to keep it cool when running flat, the new one goes on a one-piece wheel. A thick goo called Polygel on the inside of the tread seals up minor penetrations without air loss. If the tyre does go down, the Polygel acts as a lubricant. The car can still be driven 100 miles at 50 mph before the tyre has to be repaired. And Denovo 2 is no more difficult to put on the wheel than any other tyre.

For the car industry — and the used car buyer— the main snag with Denovo 2 is that it needs a special size and shape of wheel that won't fit any other tyre. That makes for inflexibility in the factory and means that the buyer of, say, a five-year-old Princess on Denovo 2 will have to replace the worn tyres with new and costly Denovos, unless he can find a set of normal wheels in a breaker's yard.

Denovo 2 is clever, technically sophisticated and very effective, but it is by no means the only way of beating the puncture and blowout problem.

Goodyear let me try their own runflat tyre recently. It is based on their new ultra low profile, high performance tyre, the formidably good NCT, which is similar to the Michelin TRX and Pirelli P6. It goes on a standard size wheel that takes any other kind of tyre, though it has a couple of small ridges in the rim to keep the runflat in place after a deflation.

With the valve core removed from the front offside tyre I drove a Ford Granada round their Luxembourg test track and then, five up, on public roads. The car pulled to the right but otherwise drove normally at speeds of up to 50 mph. The secret? Reinforcing arches of rubber inside the tyre, extending from the middle of the sidewall round toward the centre of the tread. The tyre bulged out but still supported the weight of the car.

Goodyear have no plans to market their runflat until the car makers demand it. They burned their fingers once before. Forty years ago an American luxury car could be bought with a double-chambered Goodyear tyre that ended the blowout danger and let a driver with a puncture reach a garage. Goodyear waited for big orders from the car makers . . . which is where we came in. The get-you-home tyre was laid to rest in the early 1940s, killed by apathy.

GOLF

An invidious choice

BY BEN WRIGHT

IT APPEARS more than probable that the Great Britain and Ireland amateur team will recapture the Walker Cup for only the second time since World War II when the biennial match against the United States is played at Muirfield on May 30 and 31. The tragedy is that if our men, led by Yorkshire's courageous Rodney Foster, the non-playing captain, do happen to pull off this rare feat, the Americans will have the built-in excuse that their three or four best men were unavailable to play.

This ridiculous state of affairs has arisen because the National Collegiate Athletic Association Championship has been moved forward from its June dates, so that its first round will be played at Bermuda Run Golf Club in Winston-Salem, North Carolina, on May 23, when the American team leaves from Kennedy Airport. Yet since the Walker Cup match was instituted in 1922, it has been played in these islands 13 out of 14 times in May. Only once, in 1938, was it played in June at St. Andrews, when ironically we recorded our first of only two victories. The other was achieved at the same venue in May 1971. Against those solitary successes, the Americans can boast of 23 wins, while we scraped out with an 11-11 tie in Baltimore in September 1965.

Needless to say, the officials of the NCAA and the United States Golf Association, who are responsible for the Walker Cup team and stage the match when it is played on American soil with the generous hospitality for which the nation is famous, blame each other. The only real losers are the players.

Eight brilliant young golfers were forced into an invidious choice between college and country. Bobby Clampett of Brigham Young University, leading amateur in the recent Masters Tournament, and the foremost amateur in America; U.S. Amateur champion John Cook, who also lasted four rounds at Augusta; Gary Hallberg of Wake Forest University, already a Walker Cup player in 1977; and Cook's Ohio State University team-mate, Mark Balen all chose to play for their colleges.

As golf scholarship winners to their respective seats of learning, they all felt—and who can argue—that they would not have been in a position to be chosen for their country, had it not been for the generous opportunities afforded them to improve their golf at college. Four students, 19-year-old Doug Clarke of Stanford, Mike Gove (21) of Weber State, Griff Moody (20), University of Georgia, and Hal Sutton (20) of Centenary University, found the attraction of a three weeks trip to Britain automatic invitation to the U.S. Masters, and exemption from qualifying for the U.S. Amateur and Open Championships impossible to ignore. In addition, the entire American team traditionally competes in our Amateur Championship during the week after the cup match.

Possibly the most stupid aspect of the whole affair is that there is no direct clash between the actual fixtures, in that the first official function of the American team is to attend the flag-raising ceremony on Tuesday, May 29, on the eve of the match, and the NCAA Championship ends the previous Saturday evening, the 26th. The USGA insist that departure on the 23rd is essential if non-playing captain Dick Siderowf is to find out anything about the players he has never previously met, let alone seen play.

There is also — according to the USGA—an important social significance in the event, like getting to know one's team-mates and the opposition. Team spirit is important, as was discovered to our cost in the 1977 match in Long Island, when the English and Scots who comprised our entire team appeared to resent each other's presence.

But on this occasion there was obvious room for compromise between the two official bodies. The four players who agonised before putting college before country could easily have reached Muirfield in time to practise on Monday and Tuesday, alongside their team-mates. The course is easily our most simple links layout to learn, if only because all the hazards are clearly in view.

The quartet in question would certainly arrive fully prepared after the most important event in their college calendar. Surely the NCAA people must have been out of their minds to re-schedule their premier event in the knowledge of the Muirfield dates and the traditional early departure of the American team. But the spirit and traditions of the game are too often ignored these days. I was re-reading Jack Nicklaus's excellent book, The Greatest Game of All, earlier this week, and one paragraph from it makes the point perfectly.

"The memory of the 1959 Walker Cup match was still fresh in my mind. I had never stopped looking back to it, not only because that match has changed me from a good junior golfer into a good golfer, but also because that whole week at Muirfield—the preparation for the match, as well as the match itself—had personified sport at its best, people at their best, the world at its best."

To get back to those four lads who will suffer most by turning down the trip to Britain—Clampett is quoted in the American magazine "Golf World" thus: "I am disappointed that I had to make a decision in the first place. It struck me that I was damned if I did and damned if I didn't. The situation looks like this—the USGA are not that interested in having the best players in the Walker Cup. I believe the Royal and Ancient will be disappointed, and I know the British players will be disappointed."

Well said, young man. The British players will be thwarted if they beat a sub-standard team.

Delicate vegetables

GARDENING

ARTHUR HELLYER

THE DIFFICULTY with most tender vegetables is that a lot of growth must be crowded into a comparatively short time if one is to do any good with them. In all but the mildest parts of the country it is unsafe to expose them in the open before the end of May at earliest and that leaves only the three months of summer for them to grow and, with luck, a further five or six weeks of early autumn for maturing and harvesting.

Of course no such problems arise if the climate can be controlled in a greenhouse but for outdoor cultivation one has to use special strategems such as starting under cover, even if it is only the cover of a sunny window, and timing things so that the plants do not get too large to be manageable before it is safe to plant them out. One can also search out the fastest growing varieties.

That is what outdoor tomato growers have been doing for the best part of a century. Years ago Carter's Sunrise was the favourite but it has been superseded by even faster growing varieties such as Outdoor Girl, Sleaford Abundance and Histon Early. Last year I was greatly impressed by Arla which, by the courtesy of the raisers, Hurst, I was able to grow before its general release this year in their Garden Pride seed packets.

Arla is what we used to call a bush tomato and the experts are now calling "determinate," meaning that each stem grows to a certain length, genetically predetermined, and then stops leaving it to side growths to take over. By contrast every stem of an indeterminate tomato plant will go on extending as long as there is warmth, light, moisture and food to enable it to do so. Such varieties, of which Outdoor Girl is one, are usually restricted to a single stem tied to a cane or supported by soft string tied to an overhead rail or wire and all side shoots are removed at an early stage. It is economical of ground space but it takes a little time and care whereas, apart from watering and feeding, the bush or determinate tomato requires little attention and can simply be allowed to sprawl on the ground.

The raisers of Arla recommend planting it 2½ft apart about the second week in June and suggest sowing six weeks before this. I prefer to give mine a week or so longer and plant out during the first week in June even if it means protecting the plants with cloches for the first few days. There are usually some to spare by then. The fruits of Arla are not very large but they are numerous and sweet and they really do start to colour early.

In my cold part of Sussex outdoor tomatoes can never be regarded as a fully reliable crop but I get on very well with sweet corn. My method is to use a quick maturing variety, sow it singly in small pots or soil blocks during the first week in May, germinate under cover and plant out early in June, covering with a polythene tunnel cloche if the weather is still cold or windy. Sutton's First of All and Earliking have been my best varieties for some years but this summer I am trying another Hurst newcomer named Kandy Cob which is said not only to be very fast growing but also to be extra sweet and to retain this sweetness unusually well.

I have reluctantly come to the conclusion that, for the time being at least, box sowing must also be accepted as the best method of raising runner beans. For years I sowed them out of doors where they were to mature, with excellent results, but latterly germination has been so poor and irregular that a start under cover seems essential. What has made the difference I have no idea but I have heard similar complaints from other gardeners so I do not think it can be a purely local difficulty. Fortunately beans transplant well but runners are even more tender than dwarf beans and I would not trust them outdoors until early June without cloche protection.

Runner beans are worth a little trouble for I know of no crop that gives such a good yield for the ground space occupied.

Marrows can be quite profitable, especially the cut-and-come-again courgette varieties which most people now seem to prefer to the old-fashioned monsters. Zucchini is the one that suits me best but there are several good ones and it is wise to experiment with several before settling down to one.

Outdoor cucumbers I find difficult. They need more warmth than marrows and, if checked by cold, it is almost impossible to get them growing again. No doubt those who live in warm places have few problems but I am now leaving sowing as late as mid-May and not attempting to plant out until the second week in June. Even so, I shall probably find a few cloches, discarded from earlier crops, to give them a sheltered start.

I have had no success at all with either capsicums (sweet peppers) or aubergines out of doors, but they can be grown successfully in warmer, more sheltered gardens. They do well in plant bags, those bolster-like plastic bags filled with peat plus nutrients which have already revolutionised commercial tomato production and are now bringing plants into places they have never occupied before. Anyone with a south-facing balcony that does not get too savagely blasted by wind might consider capsicums and aubergines as a more exotic alternative to tomatoes.

The timing and method of starting seedlings is similar and it is equally necessary to use fast-maturing varieties such as capsicum Canape and aubergine Slim Jim. Tips should be removed from the seedlings when about 15 cm high to make them branch more rapidly than they would do naturally. Outdoors it is unwise to attempt to obtain more than four aubergine fruits per plant but there is no need to restrict capsicums. Incidentally, when growing any crop in peat bags it is vitally important not to let them get really dry at any time and also to start feeding early, after about three or at most four weeks.

The first-class sponsorship stakes

CRICKET

TREVOR BAILEY

ALTHOUGH first class cricket began in its usual haphazard fashion with the odd three-day fixture last weekend the season really commences today, and tomorrow, when all the counties will be involved. Saturday sees the first zonal round of the Benson and Hedges Cup, and Sunday the start of the John Player League.

In the area stages of the former, three sacrificial teams are included, Minor Counties South, Minor Counties North and a combined eleven from Oxford and Cambridge University to make up the 20 sides. The two winners from each of the four zones eventually meet in the quarter finals when it could be said that the Benson and Hedges competition really comes to life and the crowds arrive.

The current holders Kent, with, one assumes their Packer men available for all the games, as it is unlikely that the English selectors will grant an immediate amnesty must stand an excellent chance. They certainly possess the right ingredients: a batting line up containing class, stroke makers and depth, a reasonably tidy attack plus Derek Underwood, just about the most effective brake in the business, outstanding fielders an enthusiastic captain and experience.

From a sponsor's point of view, the John Player League must be just about the most attractive of all the domestic county Cricket competitions. In addition to drawing large gates at many of the matches, it has also captured a big and enthusiastic TV audience every Sunday afternoon, which should certainly please the present sponsors who are otherwise barred from the box.

John Player have announced that they are increasing their prize money by just under £5,000 which in a year when an England player in four tests will earn more than that for himself is hardly shattering news, but will nevertheless be welcomed by counties with financial problems and those cricketers who are not regular internationals or under contract to WSC.

The cigarette firm has not disclosed the size of its sponsorship fee, only the prize money, but combined it must be in excess of £150,000, which represents a genuine bargain in PR terms.

The appeal of the John Player League is obvious. First there is the condensation into five hours. Secondly more people are able to watch either live or on television than on any other day in the week. Thirdly the competition was specifically designed for T.V. Fourthly the small maximum of 40 overs must increase the chances of an exciting finish. Finally, a new audience of cricket followers has been acquired by this version of the game. Hampshire, who won the title last year—though nobody outside the county are quite sure either how, or why—are unlikely to retain it. My own bets would be on Somerset and Lancashire.

The first Schweppes championship match also commences this weekend when Derbyshire under their new Captain David Steele meet Hampshire. They are interesting outsiders, but the probable loss of Taylor, Hendrick and Miller on international duty is likely to prove too heavy a burden. Four obvious contenders for the championship are Kent, the holders, who may have problems winning matches on their good home wickets; the well-balance Middlesex, handicapped by test calls; Essex, who never having won an honour suffer from a lack of belief in themselves; and the new-look Yorkshire.

The fourth domestic competition, the Gillette Cup, is probably the most difficult to predict the winner. Who last year, for example, would have picked Sussex, or even more unlikely that Gamorgan would reach the final in 1977?

These four sponsored county competitions promise excitement, surprises and good cricket, but it must be admitted that in contrast the Cornhill Test series against India, is likely to have only limited appeal. After their convincing win over a sub standard Australia this winter, England needed stronger opposition than the tourists are likely to provide in this country, in order to judge their true worth in test cricket. Mike Brearley should win this rubber without undue difficulty and presumably the inevitable drop in interest will be taken into consideration by the TCBB when they discuss Cornhill's contribution for the "one off" Centenary Test with Australia in 1980.

The Prudential have sponsored one day internationals for several years which, apart from providing extra cash, for the players have had only minor significance; indeed many tourists have either failed to take them seriously, or used them for practice. This will certainly not apply to the world cup which will be played very hard and should catch the imagination of the public.

This week, saw the announcement of another cricket sponsorship worth some £40,000 by CU Assurance, which is most welcome. It is aimed primarily to encourage young cricketers and includes a county under 1? competition, and an under 19 tour to Canada later in the year.

Fortunately, before that will probably be a slight anticlimax; there is the Prudential World Cup which one hopes will be as successful as the first. Much plainly depends upon the weather. If it remains fine, as it did on the last occasion, this competition should draw big crowds and produce a great deal of money. Last time, the series culminated in an historic final between the West Indies and Australia at Lords which contained all the best features of limited overs cricket.

The West Indies with their stroke makers and fast bowlers remain firm favourites in this second tournament, but England could do well because their attack is powerful and their fielding second to none, while Pakistan remain a serious threat to everybody.

HOW TO SPEND IT

by Lucia van der Post

The latest Design Council Awards

THIS YEAR the Design Council's Awards for consumer and contract goods is a very streamlined affair. Only five awards have been announced and of these only two could really be said to be of much *interest to the average consumer*. It seems sad to me that there are no fabrics, no ceramics, no furniture, no lamps, no representative from the hundred and one small craft-based industries that used to *make up such a large proportion of the* awards in the past.

This year's award-winners are clearly very worthy winners and beneath some of the rather dull exteriors (like the ducktile) *lurks* very genuine design innovation and the kind of practical improvement in performance that will *make all the difference to those who need* and buy the product.

But *how one longs to see* a *few* more glamorous products, a few things that one can't wait to get home. It would be lovely to see things that would make the foreign buyers come running and do for our balance of payments what only an internationally excellent and internationally recognised product can do.

I have chosen to illustrate just three of the award winners—the boat because I think it will be the answer to a lot of people's holiday and weekend needs, the *glass* vases because they are one of the few genuine consumer items that might appeal to readers and the ducktile because it does have a small, though slight, consumer application.

The last two of the awards are obviously excellent in their way but have *much more of a commercial appeal*. Paterson Products, who make one of the world's most comprehensive ranges of photographic darkroom equipment, have picked up a third Design Council Con*sumer Award for 11 new items added to* to range.

Finally, an award went to British Airports Authority for their flexible tape barrier which is part of a co-ordinated range of ancillary airport furniture being developed for British Airports Authority by David Hodge.

THE DESIGN COUNCIL seems rather keen on boats but perhaps it would be truer to say that it is more a reflection on the excellence of our native boat designing industry that for the second time in three years a boat has won an award.

Actually, this particular boat *looks to me as if it could* be the answer to many people's holiday and leisure needs. Its prime advantage, of course, is that it is portable and as you can see from the photographs can be fitted into a fairly average *sized* boot. No more yearning in far-flung parts of the Mediterranean for a boat of your own—take it with you on the road. No more worrying over where to stow a boat—when not in use keep it in a cupboard, *under the stairs or* folded in the garage.

This particular boat is called the Tinker Tramp and is described as being more a sailing dinghy which is portable than an inflatable dinghy rigged for sailing.

It was designed by Fred Benyon-Tinker and is manufactured by J. M. Henshaw (Marine), of Verrington Lodge, Wincanton, Somerset, and it came about entirely because of a lucky meeting some five years ago between the designer and Jock Henshaw, who now manufactures and markets the boat.

I am not a sailor myself but I'm told that the unique design *feature which gives Tinker* Tramp its edge in sailing terms, is its dagger board. The casing for the dagger board is a sleeve of flexible waterproof material that joins the rigid floor to the cross frame, which spans the cockpit. *This means the dagger* board can be pushed down and pulled up through the sleeve and gives a draft when down of 60 cm.

The hull tubes are separate from each other, so that if one is punctured the other should remain unaffected, but, as a further safety precaution, they also each have an inner tube.

The sailing rig is simple so that it can be handled by children or relatively inexperienced adults. There is a rigid floor of six plywood, non-slip flats which fold like a concertina when the Tramp is deflated.

Most inflatables, apparently, feel less than stable in a high wind but the Tramp has a *slightly raised* floor with the outer tubes effectively creating two outer keels and this gives the Tramp greater resistance to sideways slip. Six oars are *included with the boat and can* be stored neatly in the cockpit when not in use.

If you want to use a motor with it, the wooden transom will carry an outboard motor up to four hp and the boat itself *can hold up to four people*.

Tinker Tramps are made and sold direct by Jock Henshaw's company, where the actual assembly of each boat is carried out by one person whose name then appears on the transom.

When deflated the boat measures about 42 in by 18 in by 12 in whilst when inflated its overall length is nine ft. If you're interested in the boat write to Jock Henshaw at the address given above. The sailing version costs £594, though a basic version can be had for £459.

IT'S PARTICULARLY nice to see an award go to such a new and adventurous company, as *Isle of Wight Studio Glass Company*, of Old Park, St. Lawrence, Ventnor, Isle of Wight, though the company is at pains to point out that the idea behind the award was originally put up by William Walker, a student at *the Royal College of Art*.

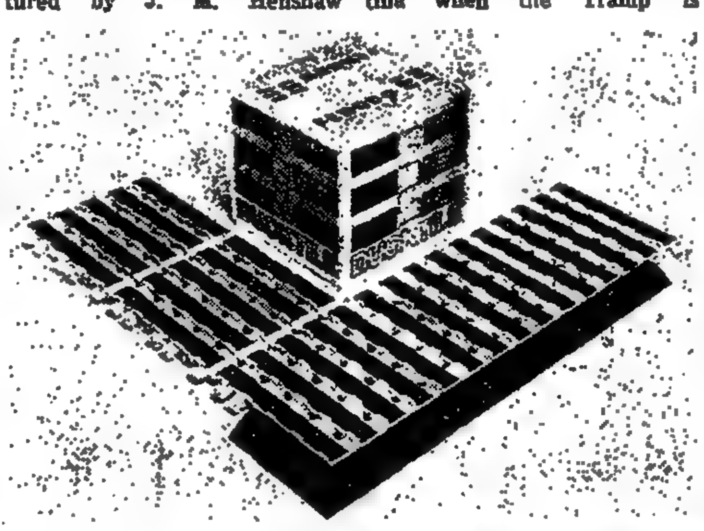
The vases that won the award are all hand-made and are finished with a unique surface decoration of gold and silver leaf, which was originally William Walker's idea but was *then further developed by the* director of the company, Michael Harris.

Michael Harris founded the Mdina Glass Company in Malta, but in 1872 had to come back to the UK because of family commitments and so he set up the Isle of Wight studio. It now *employs some 17 people and all* but one of the glass-blowers were trained on the premises by Michael Harris himself. The studio itself was made out of a 200-year-old complex of farm buildings and it is a big tourist attraction.

The Azurene vases are a very new venture but have already proved immensely popular in Europe. They combine a richness of effect with a simplicity of shape and it took some time *and much experimentation* before the whole process was perfected. A wide variety of colours and patterns are achieved by using gold and silver leaf in a *highly* original way—the gold and silver leaf are allowed to fuse into random patterns on the glass, the silver *leaf on top of the gold* producing different effects.

Because the glass is so new stockists are not yet available all over the country but Selfridges of Oxford Street, London W1, and Heals of 196 *Tottenham Court Road, London* WC1, both have the glass and it can be found in small gift and present shops up and down the country as well. For further stockists write to the company.

Of the four vases photo*graphed the smallest* is 8 cm high and costs £13.00, the next size is 13 cm and is £15.00, then comes the 19 cm size at £16.00 and finally the largest at 23 cm at £22.00.

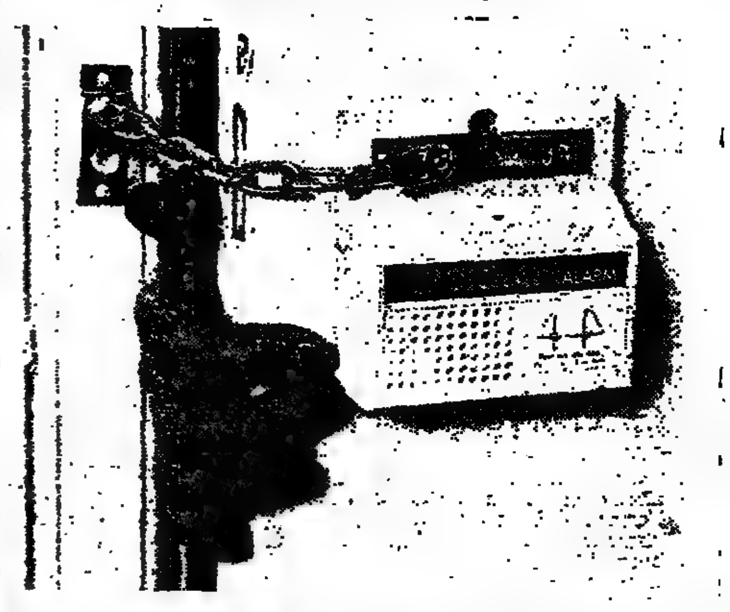


NOT STRICTLY speaking of immense interest to consumers, this ducktile looks set to replace the traditional wooden duckboards which are to be found in factories all over Britain.

The tile, made of 300 mm yellow prolypropylene with five strips of black high friction material incorporated into its surface, is lighter, easier to instal, wears extremely well, and is safer to use. The tiles are made by Ferodo and can be used domestically in greenhouses, laundries, swimming pools, boats and shower rooms.

You can buy them from Ferodo Ltd., Chapel-en-le-Frith, Stockport, Derbyshire. They cost about £9.37 per tile.

Chain reaction



THE STATISTICS on the subject of how often a burglary *occurs in Britain are now so* horrific that most people have to take stock and consider what kind of safety devices they should use. According to the police every little helps—the more difficult you can make it *for the burglar to enter*, the more hazards you put in his way, the more likely he is to give up and search for somewhere easier to get into.

If you can't run to a complete security system (and even *the cheapest of these will run* into at least three figures) or don't think your house and contents warrant it, there is now a small device costing *only £4.15 which seems to me* to have considerable deterrent value.

It's called a Screechain and it is a combination of door chain and alarm bell. If an intruder forces the door further than the length of the chain, an ear-piercing siren sound is given off by the device. It's powered by two *PH7* batteries and it measures about 4 in. by 4 in. It sounds ideal for high-rise flats where the only access can be by the front door and could be an added source of security to any insufficiently protected house. You can buy it by mail direct from Personal Hazard Protection Limited, 69, Silvertown Way, London, E.16 (price £4.15 plus 20p p and p).

City slicker

IN MY experience the most expensive presents are the ones *bought in desperation* — when the important anniversary is the very next day and the shops are closing in half an hour and you have just got to get something. City gentlemen who find themselves in this sort of predica*ment will not need to travel far* to find a whole range of exceedingly acceptable and exceedingly expensive presents. A branch of Hermes opened last week at 3, *Royal Exchange*, on the Cornhill side.

The shop is very small but reflects all the expected Hermes aura of exclusivity and style. Hermes headscarves are now £42.50 but if you only associate them with snaffl and bits you will be pleasantly surprised—some of the new designs are *ravishing* and the beautiful heavy silk is as lovely *to feel* as ever. All the smaller accessories will be on sale there—handbags, belts, briefcases and jewellery, diaries, ash-trays (so *far, immensely sought-after* by the city gentlemen who have *found their way into the shop*).

If it's not so much a present more a piece of personal adornment that the city gentleman is requiring, Hermes can help there, too. *In my opinion*, the nicest thing Hermes do are the silk ties—they are immensely elegant and of impeccable quality—but shoes, cashmere and cotton socks, belts, shirts and knitwear can all be bought there.

Hermes is open Monday to Friday, 9.30 am to 5.30 pm.

Wooden it be luverly

AN ENTERPRISING pair of sculptors *who met while students* at the Wolverhampton College of Art have started their own workshop making and producing a number of light-hearted and charming household articles. As one of the partners, Mike Bliss, put it to me, "Our approach to design is light-hearted but our approach *to business* is anything but."

As you can see from the photographs here most of what they produce has immense charm, is great fun but is not likely to be the sort of thing you would put in very formal drawing-rooms.

Everything they *make* is made from wood, ranging from plywood for the smaller flexible things like birds and ties (yes, they make wooden ties, and they are, apparently, a fantastic success, people buy them to wear at parties) and using hardwoods for the more expensive things like clocks, cupboards and breadboards.

They issue a very useful little mail order list. Everything they make is included with all measurements, details *of the wood used and price. For a copy* just send a stamped addressed envelope to Woody Enterprises, 10, Sefton Road, Edgbaston, Birmingham B16 9DR.

All the things they offer can be ordered in a choice of colour—the wood is stained. There's red, yellow, blue, *green, black*, plum and brown. Prices strike me as exceedingly low—for instance a sturdy beech cheese board is £2.70.

Of the things that are not photographed here there is a lovely cupboard man which should *appeal* immensely to children—the cupboards make up the man and include small ones for holding little secret things as well as larger ones that could actually store clothes, books or toys. He is 3 ft 6 in high by 15 in by 6 *in* and is made from Birch Plywood and is £45.00. There are also some very attractive book-ends at £4.25 a pair.

Most of the other things are fairly smallish—a variety of clocks, some jokey items like the wooden ties (£1.25) and birds (*£1.75*) and *wooden arm* (£4.60).

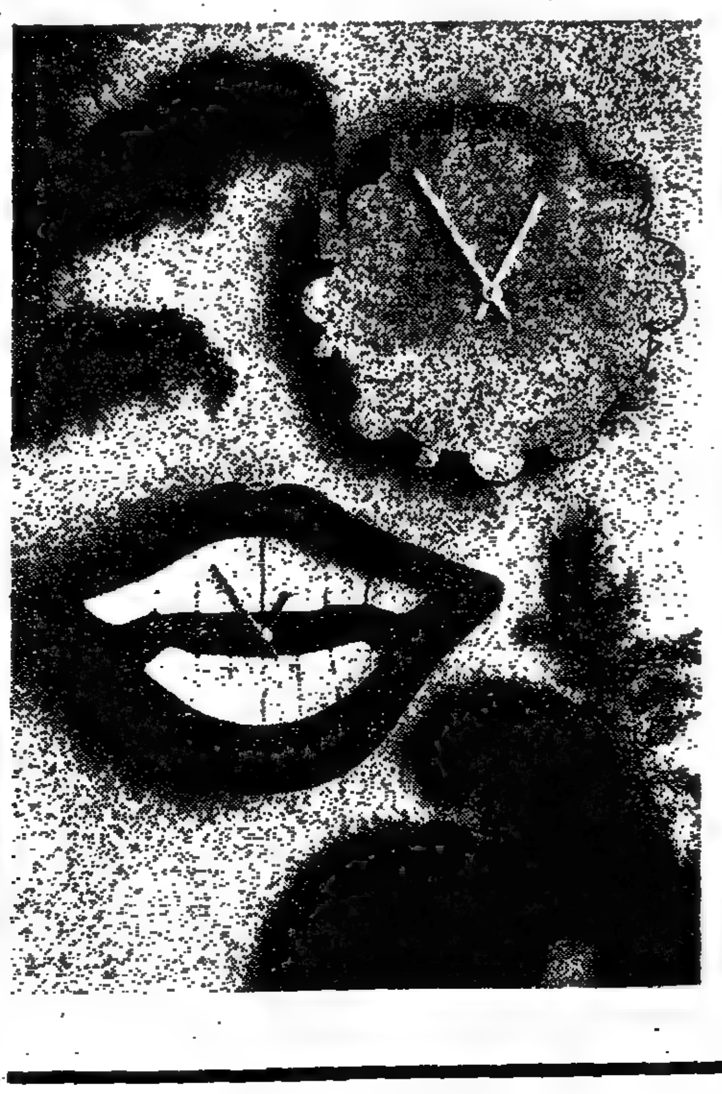
A few specialist present shops stock their designs so if you want to see them before you buy go along to Ideas of 10, South Molton Street, London, W.1, or Presents of 129, Sloane Street, S.W.1, both of which normally have a reasonable selection.

ABOVE

Wooden ties are, would you *believe, very popular*. People apparently buy them to wear at parties and as they are made of very light, flexible plywood they are not as uncomfortable as they sound. They fix round the neck with elastic and there's a kipper version (15 in by 3½ in) or a straight version (16 in by 2 in). Both are £1.25 each. Most people seem to prefer the brightly coloured versions but they come in patterns using all combinations of the wooden stains they offer—red, yellow, blue, green, black, plum and brown.

LEFT

Clocks are one of the things Woody Enterprises like doing and here are two of their current designs. The mouth clock is £12.50 whilst the number clock (at the top) is £11.50. Carriage charges are 5 per cent on orders less than £100.



I particularly like this bread board, which is made from the beechwood that is traditionally used for breadboards in England. There is too a very nice cheeseboard, also made from beech, cut in the form of a wedge and with the letters cheese formed at the edge in the same way as bread has been formed on the board in the picture. Both boards are £2.70 each but if you order by mail, remember to add on 5 per cent for carriage.

BOOKS: Theatre and Cinema

Time of Tich

BY ANTHONY CURTIS

Little Tich: Giant of the Music Halls by Mary Tich and Richard Findlater. Elm Tree Books, £6.95. 166 pages

A Hard Act To Follow: A Music Hall Review by Peter Leslie. Paddington Press, £6.50. 255 pages

The Spice of Life: Pleasures of the Victorian Age by Patrick Beaver. Elm Tree Books, £7.95. 131 pages

Make 'Em Laugh by Eric Midwinter. Allen and Unwin, £5.95. 208 pages

World Records' double album Music Hall: Top of the Bill (SHB 22) contains one precious track of Little Tich recorded in May 1917. It's a number called "The Best Man," and consists of a single verse sung several times, punctuated by a gentle stream of ancient wedding-jokes. The verse goes roughly like this:

"The Best Man gets the best of it.
His responsibility is very small.
He's allowed to kiss the bride.
He doesn't have to marry her after all."

"Everything's going off lovely . . ." starts the patter. "Jones has gone off with Smith's wife. Ah there's the Bride! My dear, you've had a trying time . . . 45 years waiting. And the Groom, poor fellow, the Home Secretary has refused a pardon. . ." What is still noticeable is the non-aggression, the softness, in the delivery. Before I read Richard Findlater and Mary Relph's biography of the comedian I thought it was funny, but now having the read the book it seems unbearably poignant.

Almost everything listed in the patter actually happened to Little Tich, or Harry Relph as he was in real life. His only male friend did have an affair with his wife. His first wife deserted him, stripping bare their Paris apartment and abandoning not only him but their 8-year-old son Paul. His second wife carried on a clandestine affaire with Tich's friend which he only discovered after her death. His son who grew up with a dreadful stammer turned out to be a pathetic if charming wastrel. In Tich's latter years his earnings slumped. Only his mistress, Win (Ivey Latimer, principal boy in provincial pantomime) brought him happiness in his private life and eventually became the third Mrs. Relph. She had to suffer the indignities of unmarried motherhood in pre-war England and to give up her own career on the stage when she bore him a daughter.

It was Tich's daughter Mary who discovered a treasure-trove of cuttings about Tich among her mother's papers and who has collaborated with Mr. Findlater to write this remarkable book. Never can a starker contrast between a man's professional and his private life have been drawn. The interminable catalogue of domestic disaster accompanies the triumphant progress (once he got going) on the variety stages of London, Paris and New York.

Tich was a Kentish farmer's son, four feet six in height, born with 10 fingers as well as his thumbs. Left to fend for himself from an early age, he turned all his handicaps to advantage by becoming an entertainer. He began by working in country pubs and soon graduated to the Halls which flourished at the turn of the century. Minstrels were all the fashion and he began in blackface. He stopped applying the burnt-cork when he went on a tour of the United States where his genius for drollery was first acclaimed.

Tich had a number of set-pieces of which his dance in an elongated pair of boots was the most celebrated: audiences clamoured for it even when he was too old to perform it. Another was a grotesque parody of Loie Fuller. He was a particular favourite in Paris where he used to come on in a voluminous ball-dress and say in a mincing nasal voice: "Je m'eppelle Clarice . . ."

The authors re-create the ambience of this world and of the peculiar magic of Tich's brand of comedy with great skill and lovingly gathered detail. Tich's admirers included Max Beerbohm, Paul Nash, J. B. Priestley, Sacheverell Sitwell, Jean Cocteau and dozens more whose encomiums still ring true.

Another friend was Toulouse-Lautrec: with whom he had an affinity of stature and outlook. *A Hard Act To Follow* is delightfully informative about the Parisian music hall in its great period, with appropriate illustrations.

Patrick Beaver is an authority on circuses, pantomimes and other forms of popular entertainment in the Victorian period. In *The Spice of Life* he shows, with many illustrations, how various forms developed and who were the innovators and promoters. The ground is familiar, but fascinating nonetheless.

Finally Eric Midwinter gives us a clutch of comedians from Will Hay and Max Miller to Les Dawson and Ken Dodd. He delineates their styles and the social backgrounds to which they responded.


Tich as La Premiere Danseuse

Alas, poor Yorick! No, lucky Yorick nowadays, with so many writers trying to immortalise him.

Yiddish actor

BY C. P. SNOW

Bright Star of Exile by Lulla Rosenfeld. Barrie and Jenkins. £8.95. 338 pages

Lulla Rosenfeld has written an elegy, sorrowful and rapturous, for her grandfather, Jacob Adler, and the brief glory of the Yiddish theatre in New York. Adler himself, though possibly not the best actor, was the most dominating figure in that wild, quarrelsome, passionate explosion—which had about 20 years of life, the first two decades of this century, before immigration stopped, the children of the Yiddish speakers became Americanised, the language itself had no national home to keep it alive.

Presumably not many people in this country, gentiles or Jewish, know much about the history of the Yiddish stage. It was as turbulent, we learn from Lulla Rosenfeld, as many of their lives. They formed travelling troupes in South Russia and Romania before being driven out by Tsarist persecutions (and pogroms) in the eighteen-eighties. Though it wasn't obvious at the time, they were one of the first expressions of the Jewish breakthrough or Enlightenment. They were devoted to their art, a Yiddish literature was springing up, they snatched a bare subsistence from their performances in the intervals of running off with each other's wives. Adler's own complications with women make H. G. Wells's seem like the domestic existence of Mr. Pooter.

Adler's first staging post in exile was Whitechapel. There he won success and hero worship, but no money. In London there was nothing like the Yiddish population of New York. It wasn't possible to maintain a theatre. So Adler in his thirties made his final move, and lived in America and with intermissions flourished there for his last 40 years.

He became a king in the Lower East Side. Gradually many of his fellow exiles were making themselves prosperous (compare Irving Howe's *The World of Our Fathers*). The Yiddish stage gave them excitement, emotion, recalled their old sufferings and celebrated the way they were living now. Since the performers were nearly all Russian-type socialists, they were not above what we would now sanctimoniously call industrial action. Their best playwright, Jacob Gordin, must be the only dramatist on record who joined the picket-lines to disrupt a performance of one of his own plays.

How good were the plays? How good were Jacob Adler and his company? It is next door to impossible to guess. Near all the testimony comes from their own people. The critics familiar with Broadway or the London stage didn't know Yiddish. They sometimes attended an Adler production, but impressions were confused. Contrary to a myth cherished by some who haven't had to listen much to plays in languages they don't understand, you do need to comprehend what is being said. Otherwise anaesthesia descends.

My own suspicion is that an audience of today, either in London or New York, would find Adler's productions and acting style very much overblown by contemporary standards. In 1903 he did appear once on Broadway, playing Shylock, speaking Yiddish, while the rest of the cast used Shakespeare's English text. It must have sounded somewhat odd, but the Press was ecstatic, and compared Adler to Henry Irving. Satisfied, Adler didn't attempt fortune again. In spite of half a lifetime in America, he never mastered English.

It is as well to remember that Irving also would probably seem overblown to a modern audience. Certainly Kean would. Acting can't be judged except in its own time and place. Adler must have had the primary gift of a great actor, far more important that technique, the gift of Olivier or the young Burton. Whatever he did, the audience could watch no one else. An actor can't acquire that gift. He either has it or hasn't. Wherever Adler went, on the stage or off, people couldn't keep their eyes away from him.

Putting on scene

BY B. A. YOUNG

The Theatre of Meyerhold by Edward Braun. Eyre Methuen, £9.95, 299 pages

Theatre and Anti-Theatre by Ronald Hayman. Secker and Warburg, £5.90, 272 pages

Bertolt Brecht. Diaries 1920-1922 edited by Herta Ramthun. Eyre Methuen. £6.50. 182 pages

V. E. Meyerhold is one of the most admired but least familiar directors in the 20th-century line, for he only once worked outside Russia, when in 1930 he took his company to Germany and France. He began as an actor at the Moscow Art Theatre, but the detailed realism of Stanislavsky and Nemirovich-Danchenko was not to his liking, and in directing he moved away from literal interpretation of texts towards a style dependent on movement and rhythm, with the words delivered free of their natural cadences.

Until the 1917 Revolution, his more experimental work was done in his own workshop theatre, while he continued in more conventional ways at the Establishment houses: but the Revolution was a superb bandwagon for him to jump on, and he was soon able to mount the kind of production we most associate him with, with Constructivist sets and texts spoken in the manner of political orations.

He became an early victim of the campaign against the "cult of personality." Though the new regime so much approved of him at first that it allowed his theatre to be named after him, the doctrine of Socialist Realism, adopted as official artistic policy, was clearly not for him. What Meyerhold said to the All-Union Conference of Stage-Directors in June, 1939 we shall never know, for the official records are as deceitful as so many other Soviet records. But he was arrested a week later, and shot in a Moscow prison the following February.

Edward Braun's book, the fruit of wide research, is the first critical study of Meyerhold in English. It splendidly fills a gap that has been too long vacant. There are numerous important pictures, and a somewhat unreliable index.

"Anti-theatre" is a phrase that began when Ionesco called his play *La Cantatrice chauve* an *anti-pièce*. Ronald Hayman's sub-title is "New Movements Since Beckett," but the truth is he hasn't found many. Handke, yes—there's a new movement for you, theatre without drama, only a philosophical examination of language. But Pinter? Stoppard? Albee? Shepard? "Repudiating the resources that the medium is putting at his disposal," to use one of Mr. Hayman's phrases, is hardly the way of any of these. Pinter in particular, I would have said, uses the resources of the theatre with particularly pregnant imagination.

Anti-theatre, if there is such a thing, can be compared with anti-matter, that is to say, it is only another kind of theatre. Beckett's recent work, such as *Breath* and *Not I*, seems to me not to be anti-theatre, but untheatre, not theatre at all, whatever else it is. Beckett is one of three bases from which Mr. Kayman traces the theatre of our day, the others being Genet and Ionesco. He doesn't persuade me all the time. "Like Beckett, Genet and Handke," it seems, Stoppard draws attention to the theatricality of *Rozencrantz and Guildenstern are Dead*. He concentrates on two figures in whom Shakespeare had little interest. I see. And had W. S. Gilbert foreseen the work of Beckett, Genet and Handke when he wrote *Rosencrantz and Guildenstern*?

And here is Brecht again, his early diaries in a volume to match Eyre Methuen's handsome uniform edition of the plays. Cold, selfish and clever. Already in September, 1920 he outlines the principle of the V-effect. "What hamstrings me: the fact that I have no power over anybody." But he had, over girls, God knows why. "A woman has no imagination, she doesn't need any, she has her love." How about that? He was writing much but selling little. Suppose one of his scripts for the Stuart Webbs film detective serials had come up trumps instead of *Baal*? What would have become of the 20th-century theatre?

Excellent translation by John Willett.

Gladys's sacred flame

BY GEORGE MALCOLM THOMSON

Gladys Cooper: A Biography by Sheridan Morley. Heinemann, £8.50. 313 pages

The Stage, like the Turf and the old House of Lords, is based on the hereditary principle. Anyone who doubts this, need only look at Gladys Cooper's genealogical tree, as reproduced in this biography by her grandson. The foundations were laid in a solid sub-stratum of Quakers, bankers, "reformers," scientists and so forth. Then journalism came in to lighten the dough: and after that the stage takes over. . .

Gladys Cooper (beautiful child: pretty girl in the Gaiety chorus, and to the end a dauntingly handsome woman) had the kind of good looks which does not let a woman down by deserting her. Had she talent?

The evidence is doubtful. Says Herbert Farjeon, "Even as she discharges the contents of her six shooter into the body of Mr. S. J. Warmington, Miss Cooper remains to the backbone a typically tennis-clubbable English girl." Roland Culver, a great friend of hers after the war, said "As an actress she always lacked dedication. . . She was very intolerant of old age; in her view, you went on till you dropped."

When Culver protested that he was too old to play a romantic part, "Nonsense, dear!" said Gladys, "put on a nice toupée and you'll be quite all right."

Her most successful stage partnership was with Sir Gerald du Maurier whose daughter Pamela says, "She gave him what was probably the only genuine platonic friendship of his career. . . Every matinée they met for lunch like two men at a club, Gerald with his cold beef and Gladys with a chop."

A formidable lady with something that can be more enduring than talent, a trained (self-trained) professionalism, acting, as David Niven said, "was something she did for a living—not something she had ever really thought about." On that, however, opinions differed, "there is no soul in her playing, nothing but a figure, a perfect piece of mechanics" (C. B. Purdom).

Charm to match her looks? "She had all the charm of an electric carving knife." That was the verdict of Dirk Bogarde.

She was at her best as an actress-manager, businesslike up to the point of bankruptcy; courageous in adversity, of which she endured plenty.

Her attitude to "fans" was poles apart from Ivor Novello's. For her there was no fan like a distant fan: so long as they wrote to her, or kept themselves at a respectful distance she would send back faintly regal notes of acknowledgment for letters and flowers. This was not her only or most important point of difference from Novello, for she wanted to have him as a lover or a husband, only with reluctance admitting that here was a citadel she could not storm. Love will find a way? asked the New York American above a photograph of Ivor Novello greeting Gladys off the boat. Love did not.

The cool English beauty had a powerful sex urge says Sheridan Morley who, as her grandson, would be likely to know. It was powerful enough at any rate to carry her into three marriages (to a club owner, a baronet, and an actor) and countless love affairs. The second marriage, to Sir Neville Pearson, ended in him divorcing *her*, an unheard of event at the time which raised a storm of indignation.

"The man is a cad and a bounder," said her first husband, Herbert Buckmaster, but Gladys took a more down-to-earth view: She wanted to keep her daughter, Sally, and marry Philip Merivale. She was willing to pay the price and be divorced. She always had a strong sense of family life with herself as the central dominant figure, "the den mother," as Gerald du Maurier put it.

She took Philip Merivale away from his dying wife (although, in fairness, it must be said that she may not have known how ill the wife was) and travelled from New York to England in the same boat as the sorrowful couple.

"It must rate," says Sheridan Morley, "as one of the most tactless decisions of a life not always renowned for its depth of sympathy or human understanding." The word "tactless" does not seem too strong!

"Every night salad and cold ham after the play," complained Sir Neville Pearson during their marriage. "Do you wonder she's such an acid lady?" Undeniably, the "den mother" had a touch of the tigress in her make-up.

Most biographies of actresses are boring: Sheridan Morley's is never that.


Gladys Cooper in 1913

Marxmanship

BY NIGEL ANDREWS

To The Distant Observer: Form and Meaning In The Japanese Cinema by Noel Burch. (Scolar £4.95, 387 pages)

Born To Lose: The Gangster Film in America by Eugene Rosow. (Oxford, 422 pages)

"Hello, I Must Be Going": Groucho And His Friends by Charlotte Chandler. (Robson Books, £6.95, 568 pages)

Among non-Western nations, says Noel Burch, "only Japan has developed modes of filmic representation that are wholly and specifically her own." In *To The Distant Observer*, the Paris-based critic and teacher takes us on a tour of Japanese cinema from 1896 to the present day: scrutinising the inscrutable East and presenting a sharper, more convincing account of what makes Japanese films unique than any study on the subject hitherto.

Bringing into play Marxist aesthetics and Brechtian ideals of "distanciation," Burch suggests—subversively, not to say revolutionarily—that the two great masters of Japanese film, Ozu and Mizoguchi, had their Golden Age not after the war, as most Western critics maintain, but before it: when their emotionally austere but stylistically inventive work was un-adulterated with Western sentimentality and academicism, attributes that flowed in with the American occupation.

The writer's Marxist viewpoint is not for all tastes; neither is his polysyllabic style. The book sometimes falls into a jargonist delirium of "syntagmas" and "diegeses" and "modules." But it is worth taking your mental machete with you and hacking through the verbal and intellectual jungle. The illuminations when they come are piercing. Burch examines, for instance, the extraordinary frequency of inanimate, unpeopled shots in Ozu's work—"pillow-shots" he calls them—and links them to a Japanese artistic pantheism wherein all that *is*, rather than all that *lives*, is holy.

He persuasively links the Japanese garden and the Japanese interior to the style of the country's film-making, in which deliberate artifice and "flatness" often take priority over depth and illusionism. And most of all, Burch demonstrates and celebrates the triumphant irony whereby a tradition-conscious nation, that never set any premium on originality or rebellious individualism, produced the only national body of work in world cinema that can rightly be called "unique."

Burch's Marxism has the virtue of being freely avowed and is thereby more easily winnowed, for those who wish to winnow it, from his filmic perceptions. By contrast Eugene Rosow's *Born To Lose*, a study of the American gangster film, has an irritatingly underhand, unadmitted political bias which colours his cinematic views while purporting not to. Rosow neatly divides gangsters into two categories: Robber Barons and Robin Hoods. The Robin Hoods are Good, of course, being Nature's Socialists and taking from the rich to give to the poor. The Robber Barons, by contrast, are Wicked, being Nature's Capitalists and creating wealth through the enslavement and exploitation of others.

There is a lot to fume through in this book, starting its curiously irresolute approach to the subject, switchbacking between social history and filmic analysis. There are some notable *apercus*. Rosow observes, for instance, that desert and prairie landscapes make the Western a "horizontal" genre while the gangster film, with its bristling cityscapes *and dramatic rags-to-riches stories*, is essentially "vertical." But the said *apercus* make it all the more frustrating to wade ankle-deep through Rosow's political dogma-strewing and his impersonal, speak-your-weight style of writing.

The chief virtues of the book are its splendid cluster of illustrations and the gangster filmography Rosow provides as an appendix. The pictures are shrewdly chosen to convey the heady range of gangster styles and settings, and in the filmography Rosow at last comes into his own as a film critic. It's a rich book in its way, but one has to pan for the riches. Better editing, and a stronger line of critical approach, would have made it a definitive study.

And so to Groucho Marx. "*Hello, I Must Be Going*" is a Twilight-years portrait of Hollywood's greatest comic anarchist, showing us the Superstar Emeritus in his sprightuy old age. Well, sprightly-ish. The one-line jokes and *non sequiturs* purr off Groucho's tonque with undiminished zeal.

But the comic iconoclasm that was Groucho's heyday stock-in-trade has here turned into an autumnal cynicism. The subject's harping on death, on illness on the loss of his sexual powers was understandable (he died at the age of 86) but it has a curiously sour tone. It is less like the clown playing Hamlet than the clown playing Timon of Athens.

History was kind, nonetheless, in allowing the most articulate of the three famous Marx Brothers to live the longest, and to prove that the wit of their movies came as much from themselves as from their script-*writers*.

Documentary director

BY JOHN CHITTOCK

John Grierson: A Documentary Biography by Forsyth Hardy. Faber and Faber, £7.95. 296 pages

This year marks the 50th anniversary of a remarkable movement which shaped the whole development of the documentary film and established the real beginnings of the sponsored film industry. On November 10, 1929, the Empire Marketing Board's film about herring fishing—*Drifters*—had its world premiere at The Film Society in London, along with the first British screening of Eisenstein's *Battleship Potemkin*.

Although the latter has become an all-time classic in cinema culture, *Drifters* received rapturous acclaim, largely because it brought the cinema down from the heights of theatrical manipulation to the real world of working people. As one reviewer said of its producer "he has entered into the life and outlook of the men by being there, not as a cameraman so much as a man using a camera to express what it means when men go out in drifters."

The producer was John Grierson, a fiery Scot whose archetypal love was the sea, but whose intellectual commitment was to using the media as a social tool. He had started with a Rockefeller Foundation fellowship in the U.S.—initially to study social problems of immigration and related aspects of public opinion and "newspaper psychology." But this quickly led to journalism, film criticisms and eventually an engagement with the Empire Marketing Board to develop the EMB's film work in promoting the products of the British Empire.

Although sponsored films of a kind had been made before, and other film-makers had already demonstrated the social relevance of the medium—such as Robert Flaherty in *Nanook of the North*—it was Grierson who turned the medium into a pointed instrument, able to do its work in swift, elegant strokes. He first applied the word documentary to this use of film, persuaded the politicians and industrialists to support his ideas, and established a nursery of young film-makers out of which grew an international movement that influences even the television programmes of today.

Forsyth Hardy's book tells this story; factually—as Grierson would have wished—but without the analytical probing which the grand old man brought to his own writing and film-making. The book is a first-rate account of Grierson and his life, carefully annotated, thoroughly researched, well-written. But Grierson was an enigma—and a controversial character—and the book offers few clues to the inner man who was variously called a genius, a Svengali and a maverick.

Indeed, hardly a cross word slips by Mr. Hardy's pen. Unwittingly, the book reflects the dutiful reverence with which Grierson was regarded by his colleagues — sanctified today in the idea of the "Grierson tradition" (an *idée fixe* which surely would enrage Grierson himself).

His impact was prodigious on a wide front. From the Empire Marketing Board he spawned the famous GPO Film Unit, advised on the setting-up of the Shell Film Unit, created and ran the National Film Board of Canada, guided the establishment of similar operations in Australia and New Zealand, and exercised some influence on film policies in India and other developing countries.

The names of his colleagues, nurtured, trained or inspired by him, are a *roll-call of short film history*—Sir Arthur Elton, Edgar Anstey, Basil Wright, Paul Rotha, Stuart Legg, Norman McLaren, Cavalcanti, to name only a few.

But whatever his faults, Grierson's entrepreneurial energy and creative genius gave Britain a pioneering lead in the short film which survives today and without which our prestige in television documentary would be hard to guarantee.

The legacy of Jackson Pollock

PICASSO is reputed to have said that if he had not been born a genius, he would have painted like Jacques Emile Blanche. Jackson Pollock is supposed to have made much the same type of remark about his master Thomas Hart Benton—that because Benton was so conservative, both politically and artistically, he forced anyone with any sense to rebel against him. Not that Pollock had the same initiative genius as Picasso, who also said, with some justification, that, by the age of 12, he could draw as well as Raphael.

Unfortunately, no evidence has survived of Pollock's abilities as an artist at such a tender age and the first works we have, executed in the period soon after he came to New York, between 1930 and 1934, show that his creative horizons stretched little beyond pastiches of Benton and the earlier American painter Albert Pinkham Ryder. They demonstrate more forcibly than words Pollock's own assessment of his future potentialities expressed in a letter written to his brothers Charles and Frank between October 1929 and January 1930: "I am doubtful of any talent, so what ever I choose to be, will be accomplished only by long study and work. I fear it will be forced and mechanical." In the same letter, he also made the sadly prophetic remark, "the more I read and the more I think I am thinking the darker things become."

Jackson Pollock was born in 1912 and died in an automobile accident in 1956. At the time of his death, he had been inactive for almost two years and had been suffering from acute alcoholism for some time. It is a moot point as to whether he would have ever recovered his equilibrium both as a person and as an artist and it is, indeed, one of the most extraordinary facts about this most baffling of painters that his greatness rests upon the work done between 1947 and 1953; had nothing survived from either before or after these dates, his reputation as one of the undisputed masters of modern painting would have not suffered a jot. It is impossible to think of any other painter of supreme importance whose early work shows so little intimation of genius, whose creative phase came so suddenly and so unannounced and whose decline was so rapid and so obvious. The phenomenon of Jackson Pollock as artist remains one of the great unexplained mysteries of Western painting.

One of the main problems for the student of Pollock's work has been the lack of a comprehensive catalogue from which to work, a catalogue which demonstrates clearly Pollock's development as a painter and allows one to see how dramatic was his climb to greatness and his apparent fall fro mit. Now, 23 years after his death, the sustained efforts of his widow, the painter Lee Krasner Pollock, have at last been rewarded with a fitting monument to her husband's work, a four-volume oeuvre catalogue Raisonné edited by Francis Valentine O'Connor and Eugene Victor Thaw which lists and, where possible, illustrates all the works by Pollock known to exist or to have existed.* Looking through this massive work of scholarship, one is tempted to the conclusion that Pollock's life would make a fitting subject for the most powerful of Shakespearean tragedies.

Pollock is remembered by the public at large as the "drip-painter": he was nick-named "Jack the Dripper" by the reactionary Press at the time and even now, in England, he can be called, in a review of the show of drawings and small paintings at the Museum of Modern Art in Oxford, "The Big Dripper." Perhaps more than any other artist, he personifies modern abstract art to the lay-man. This in itself is extraordinary. Pollock was an American and before he and other painters loosely lumped together under the heading "Abstract Expressionists" began their period of major creativity in the years immediately following the end of the Second World War, no American painter, with the exception of Benjamin West in the 18th century, had achieved fame outside his own country.

FT/SOTHEBY

IAN BENNETT

In the early part of this century, some young American painters had gone to Europe to experiment with new ideas—Fauvism, Cubism, Rayonnism, Expressionism and the rest—but generally met with little success. Others, such as Edward Hopper, had confined themselves to the American environment and, with little reference to current European trends, still managed to produce works of prodigious genius (a fact, in Hopper's case, only now beginning to be recognised in Europe). A third group, sometimes called "The Regionalists," took a political stance against the apparent reliance of American artists on European exemplars and advocated a narrow, chauvinistic, approach and suggested that to paint scenes hardly recognisable as American in a style not derived from America was distinctly "Unamerican," using that word in its most sinister political sense. One such artist was Thomas Hart Benton, who described the European-orientated painters who gathered round the photographer and dealer Alfred Stieglitz as "an intellectually diseased lot, victims of sickly rationalisations, psychic inversions and God-awful cultivations" (Benton wrote this in 1937, conveniently forgetting that a quarter of a century before, he, too, had been part of the Stieglitz circle).

In one respect of course, Benton was right. American painting would never achieve real greatness until it developed a life independent of European concepts (although, as I have said, Hopper had already demonstrated this). Pollock himself was well aware of it from an early date. In an interview given in 1944, he was asked if he wished to go abroad; he replied: "No. I don't see why the problems of modern painting can't be solved as well here as anywhere." Ironically, Pollock himself was to be the first 20th century American painter to achieve universal recognition and it was he more than any other who made New York the crucible of creative painting in the second half of the 20th century and, incredibly, reduced Paris to the status of a provincial backwater. For over 200 years American painters had come to Europe to learn how to be artists; now it was to be the other way round.

The present catalogue must constitute one of the most significant contributions to our knowledge of Abstract Expressionism and to Pollock's art in particular. Quite correctly, the compilers have refrained from making much in the way of theoretical comment about the work but have seen their task principally as the gathering of documentary information which others may interpret. One thousand and ninety-six authentic works, including paintings, drawings, prints, sculpture and a few early painted ceramics are included. There is also a small group of interesting but as yet unauthenticated works and some very damaged things which the compilers categorise as "of documentary interest only."

There is also a small group of what the authors euphemistically call "False Attributions," which, in general, is a nice way of saying "Fakes." O'Connor and Thaw make the interesting point that Pollock is one of the most faked of post-war artists and suggest the reason for this is that, superficially at least, the work might seem easy to copy. Of course, when one sees a group of 40 fakes illustrated which one is told are fakes, one can immediately see what it is about them that makes them unacceptable. However, the publication of this catalogue will make the task of the forger considerably harder—anything not illustrated in it will now be treated with considerable caution, although there are, of course, a number of documented paintings which have disappeared and which will almost certainly reappear as a result of this publication.

* Francis Valentine O'Connor and Eugene Victor Thaw, editors: *Jackson Pollock, A Catalogue Raisonné of Paintings, Drawings and other works.* Yale University Press, 1978, 4 vols., £180.

Leonard Burt

Gerald Flood and Christopher Beeny

One of our howls is missing

Nothing, you may think, could be more clumsily unfortunate than the title of this farcical comedy by Raymond Allen at the Leicester Haymarket. I thought that myself before the show, but not after it. Farce, as everybody knows, is a serious business, or should be. What Mr. Allen does is set up a potentially rich situation in a South Kensington hotel before retreating under a flurry of desperately contrived, and deeply unfunny gestures. The worst of these closes the first act: the head waiter, Terence, is instructed to change what appears to be a perfectly functional light bulb. He slips off the ladder and, hanging from the ceiling, has his trousers removed by the manager. The audience, of course, laughs, but the stunt has not sprung, as it should have in a good farce, from the action.

Terence is a hapless butt in the manner of Mario in *Fawlty Towers*. There any resemblance in quality to John Cleese's programme halts abruptly. The manager (Gerald Flood) is a bad-tempered alcoholic whose wife has, apparently, made off with a lover and stuffed owl in the small hours. Terence spends most of his time falling over and bumping into the furniture while pursued by the housemaid, Carol (Carol Hawkins). One of the guests (Robert Mill) gives Terence a reasonably funny lesson in seduction techniques and, when, after the interval, Carol appears in a slinky black cocktail dress, poor Terence goes grinningly about his task to the turntable accompaniment of Mantovani.

THEATRE

MICHAEL COVENEY

Needless to say, after trapping his tie in his zip, he makes a lunge for Carol and off comes the dress. But the rest of the coming and going is muddled to put it mildly, with the manager's squeaky wife (sqeakily played by Jean Harrington) arriving to promote a finale which, the more frantic it becomes, suffers a corersponding loss of comic energy.

The verbal jokes are pathetic, much being made at one point of the name of an off-stage client of Peruvian Greek origin, and Mr. Flood understandably tripping over such feeble declarations as "You stink like a skunk's armpit." Christopher Beeney as Terence does a passable imitation of Norman Wisdom, but little else. I am at a loss to understand why the Haymarket should be presenting such piffle in collaboration with the commercial management of Olav Wyper and Bill Kenwright. It does them little credit. The tepid direction is by Jimmy Thompson.

Bows for sale

Every violinist needs a bow, the slim curved stick that produces a violin's typical singing tone. Bows have hardly altered since Francois Tourte of Paris perfected their design 200 years ago. A violin bow is simply a neat device to hold and tension some 120 fine long hairs and bring them in close proximity to the violin string so that a mere caress by the player sets it vibrating.

To the inexperienced eye a hack bow looks exactly like a master one and when new it works, but it soon deteriorates with hard use, the stick becomes warped and flaccid, its spring and bounce disappears, and it is a handicap rather than a help. A craftsman-made bow has a very different feel; you learn its ways and how it seeks to obey you, and the intimacy between bow and player is such that most violinists would rather play on an unfamiliar violin than use a strange bow.

SALEROOM

ROBERT LEWIN

The bow-makers of the classic period were mostly French and their bows have a strange affinity to Cremona violins of the Golden Period. That is, just as the characteristic sweet sound of a Strad is seemingly everlasting, so a bow by a master never loses its wonderful features, not only retaining its powers but like the golden violins mysteriously improving with age and handling.

Considering their immense services to the violin community the financial history of bows is a chequered one. Right up to a generation or so ago fine bows had little monetary value and were barely marketable. That was because when you bought a violin it was customary to include a bow and case of commensurate value. The bow was regarded as an accessory, or sweetener to the deal. Thus the bow stood in your books at nil cost. Even as late as the 1940's if you happened to drop your bow—they are fragile and easily damaged—you could buy a good silver mounted replacement at Hill's in New Bond Street for a guinea.

Bows at sales performed in low key. At Puttick and Simpson's monthly musical instrument sales a Francois Tourte in gold made precisely £2 on December 12 1906 and a Vuillaume of Paris scored three shillings. Comparison with violin prices then and now throws up an interesting situation. At that same Puttick's event in 1906 a Stradivari violin fetched £360: on May 3, Sotheby's are offering the Strad owned by Kreisler and used by him for many of his famous recordings and the estimate is £150,000, an escalation of about 400 times. That seems a worthwhile rise even over the 70 odd years interval but it pales into insignificance when you look at bows. Last November Sotheby's sold a gold Tourte bow for £11,000, or £12,100 with the 10 per cent buyers' premium, 6,000 times the 1906 prices, while a Vuillaume bow made £4,000, an astronomical 20,000 times.

With the wisdom of hindsight it is evident that an enlightened violin collector of mature age is one who has steadfastly bypassed violins and put his faith in bows. To anticipate a vogue is all of our dreams; the secret of collecting is to be first in the field and the only buyer among a host of sellers. To display this sort of long-sighted vision and exploratory courage is to rank among violin circles as almost a musical Christopher Columbus, opening up a new world of capital appreciation. Does such a person exist? Yes, Mr. Vincent Howard, of Wimbourne, Dorset, a professional violinist who has now retired, has been assiduously collecting bows since 1919 and his collection is to be offered at Sotheby's next Thursday.

The Howard Collection consists of many choice bows by renowned makers and they are in prime condition, an important consideration when bow values are concerned. Bow making in the quality field has always been the province of a very few individual craftsmen and it is to be noted that over the years it has largely been a labour of love. Bow makers today are better rewarded but as dedicated as ever and this century British craftsmen have tended to take over the legacy of producing master bows that was once a French domain. The secret of the advance in bows is that players today are both more plentiful and more critical. You don't get a free bow today when you buy a violin, nor would any decent violinist consent to a violin dealer choosing his bow for him; every violinist knows how much the right bow contributes to lovely violin sound.

Postal anniversaries

THE EUROPEAN Conference of Postal and Telecommunications Administrations, known as CEPT, was established in 1959 by the countries of western and southern Europe. Their annual conference has been marked by special postage stamps issued by the vast majority of member countries. After participating in the initial issues, however, Britain dropped out, but in recent years this deficiency has been amply remedied by the Isle of Man, Guernsey and Jersey.

To mark the 20th anniversary of CEPT it was decided at the Stockholm conference of 1977 that this year's stamps should have the theme of postal and telecommunications history. Most member countries are now in the process of issuing two stamps, generally featuring aspects of the posts and telecommunications both old and new. Jersey has gone one better and released two pairs of stamps on March 1. The 8p stamps depict a Vaudin pillar box of the 1850s—a reminder that the earliest posting boxes anywhere in the British Isles were erected in St. Helier in 1852—and one of the present-day boxes by contrast. The 10½p stamps show the Jersey telephone exchange of the early 1900s and the modern SPC system.

Predictably, Guernsey has opted for similar subjects, with the 6p showing one of the Vaudin boxes erected in Union Street, St Peter Port in February 1853 and still going strong. The stamp also depicts a modern mailvan and postmarks of 1853 and 1979. The 8p stamp features a telephone of 1897 and a modern telex installation.

Posting boxes and electronic equipment are the subjects of a number of other sets. The Swiss pair shows an historic wall-box from Basle (40c) and part of the radio relay station on the summit of the Jungfraujoch, first used for Eurovision 25 years ago (80c).

Mail coaches are an ever-popular theme, always visually exciting and a natural for stamp reproduction. Luxembourg's Fr6 stamp shows the colourfulTrois-vierges coach which carried the mails between 1875 and 1924. A three-horse coach appears on Belgium's Fr8 stamp, contrasted with a modern mailvan, and Denmark's Kr1.30 depicts a mail cabriole from the reign of King Christian VII. The higher denomination in each of these sets shows a medley of antique telephones, morse keys and semaphore telegraphs.

STAMPS

JAMES MACKAY

West Germany has drawn inspiration from two of the historic tableaux in the Federal Postal Museum in Frankfurt am Main which show a post office counter of 1854 and a telegraph office of 1863. A posthorn and leather wallet used by 19th century postmen are depicted on Iceland's Kr190 stamp, while the Kr110 value has a beautifully ornate telephone of the same vintage.

The remaining stamps so far announced have a more idiosyncratic approach, dwelling on aspects of postal history peculiar to each country. France has ignored the telecommunications aspect altogether and concentrated on historic landmarks in the carriage of mail. The Fr1.20 shows aircraft and a map of the first internal airmail service, inaugurated in 1935. The Fr1.70 highlights one of the superb failures of mail transmission, the famous boule de Moulins of 1870. During the siege of Paris by the Germans in the winter of 1870-71 zinc spheres known as boules were loaded with letters intended for the beleaguered city and floated down the Seine from Moulins. The Prussians took potshots at them and sank the vast majority, so that few of the letters reached their intended recipients. Over the past century the periodic dredging of the Seine has continually brought boules to the surface—much to the embarrassment of the French Post Office, who feel obliged to make some attempt to deliver their contents. f?fcbemf shr vb vbgkqetaoivbg

The French postal administration in Andorra has just issued a charming pair of stamps showing a postman of about 1900 and the facade of the old French post office in Andorre la Vieille. Sweden's 1.30k stamp alludes to the problems faced in maintaining communications with neighbouring Finland across the Aland Sea and shows an ice-boat—a small vessel converted into a kind of sledge in winter-time. The 1.70k stamp shows a primitive Morse key dating from 1853.

Like France and Andorra, Portugal has ignored telecommunications and concentrated on aspects of door-to-door delivery in the 16th and 19th centuries. The earlier vignette shows a horseman passing a letter on the end of a cleft stick to a householder to avoid infection during an outbreak of the plague. Monaco has also opted for a more historical approach, with three stamps depicting a 15th century messenger, a sailing packet of the 18th century and a mail train of the mid-19th century. Cyprus is issuing three stamps next week, each showing old and modern aspects of mail transportation, sea and airmail, and the latest earth station and satellite.

The most controversial of the Europa stamps is the single from Austria portraying Laurenz Koschier, the centenary of whose death occurs this year. Koschier, a minor official in the Austro-Hungarian bureaucracy working in Zagreb, advocated postal reform including the use of adhesive stamps. Though he published his views as early as 1835 he was totally ignored by his superiors and it was left to Rowland Hill and other reformers in Britain to come up with similar ideas independently. In this—Hill's own centenary year—Austria is stealing some of his thunder with their own stamp pioneer.

ART GALLERIES

ARTS 2

Meadow of Proverbs

Second ballets are notoriously disappointing, especially if the first work of the new choreographer has been successful. David Bintley's creative début was with the daring, vividly alive *Outsider* last year: Albert Camus, trilbies, murder, duplications of the hero, all brought off with a flair that spoke of a talent quite out of the ordinary. But perhaps every man has one ballet, like his one novel, within him. Here, then, is the test of the second ballet, which I am happy—and entirely unsurprised—to report that Bintley has passed with all colours flying.

His new *Meadow of Proverbs*, which the Sadler's Wells Royal showed for the first time in London on Thursday night, is a cascade of dance ideas, sparked off by the double inspiration of Milhaud's *Carnaval d'Aix*, which provides a musical basis,

BALLET

CLEMENT CRISP

and Goya's *Los Proverbios*. Mike Becket has set the piece in a rocky chasm made from a series of grotesque profiles—like Mount Rushmore seen by Picasso—and Bintley fills it with dancing. The two opening sequences bring on the men, then the women, in fast, energetic, and most assured ensembles. Thereafter, Bintley illustrates eight of Goya's proverbs with a hard-edged, satiric manner that owes something to the commedia dell'arte, and rather more to Goya. Most of all it pays tribute to Bintley's own fertile, pungently theatrical ability to make movement full of character.

An officer postures, tipples, as his faceless troops fall in battle; three men mope in exaggerated fashion over the corpse of a girl, who suddenly revives, and as they exit, recalls her proper role as a cadaver; Polichinelle, a heartless lover, "discards adoring women like dolls," and Bintley shows us just that—but with what artful economy and skill as the girls collapse in grotesque poses.

The ballet is further evidence of a talent bursting with dance ideas. There are a few miscalculations—a rumba line interrupting a duet seems to misfire—but all in all, this is creation from a young man of abundant and splendid gifts. And like all good ballets, *Meadow of Proverbs* enhances its interpreters. The SWRB dancers are uniformly excellent in it, with especial praise for Marion Tait, Paul Waller, Alain Dubreuil and Stephen Wicks in the mock funeral, and to Kim Reeder, the youth "who forgets he will grow old himself" as he darts about the stage.

The programme also brought a revival of *La Fête Etrange*. This quiet, exquisite little the true, delicate gift of Andrée Howard its choreographer, and of Sophie Fedorovich its designer—ballet companies' repertories are not museums, but some works demand to be preserved. Such is *Fête*, though it needs greatest care in presentation. Entirely right on Thursday, the sense of youthfulness among the guests at the midwinter party; quite wrong the sentimentality that now attaches to the performances of David Morse and Margaret Barbieri as the intruding boy and the young chatelaine: under-playing *is* needed, and bodies that speak more clearly of sudden, immature passion.

Finally *Rake's Progress*, very properly dedicated to the memory of Walter Gore who created the title role. Each time *Rake* returns to the repertory I am struck afresh by its dramatic impact, its utterly sure construction. It never fails to impress with its feeling for period style, to move the heart by the inevitability of te Rake's descent into misery. Alain Dubreuil avoids much of the humour implicit in the Rake's opening scenes. He shows usinstead a young man already predisposed to vice; and the reading comes into its own with his sidling, desperate entry into the gambling den. From there on, Dubeuil's haunted, desperate hero can only move with agonised eyes to his death: it is a portrait of much merit. Marion Tait is a touching Innocent Girl; the group of hangers-on and debtors are sharply portrayed, not least because of well-conceived make-up. Throughout the evening, Barry Wordsworth and the company orchestra maintain the exceptional standards set in *Coppélia*.

"Portrait of Greta Moll" by Matisse and "Fruit Dish, Bottle and Guitar" by Picasso

Modern Masters at the National

There are no absolute divisions in Art. There is no steel door that slams down at a certain moment, in the history of painting for example, to cut off the old from the new. 1900 is a most convenient date, or seems so, but we must remember that it stood right in the centre of many lives that neither stopped nor started to suit the convenience of an arbitrary chronology. And the rule which sets the scope of the collections at the National Gallery and the Tate on either side of that particular divide has long been known by both parties to be a nonsense. Too strictly adhered to, indeed, it could do positive harm; and the Tate, quite rightly, has always set its roots firmly in the nineteenth century (should they go back even further, beyond Impressionism to Courbet and Delacroix, even to Goya?). The National Gallery has appeared less certain of itself, at least until fairly recently, but once having taken a firm grasp of Cézanne, Van Gogh and Monet the logic has proved inescapable; and for some time now the collection has been feeling its way gingerly into the twentieth century, with first the Vuillards, then a Klimt, a Redon or two, and an early Picasso on loan.

But no single move has been quite so positive a declaration of policy as the recent acquisition of two early twentieth-century masterpieces, both of them now on display in Room 45, the first works to be bought by the gallery of Picasso and Matisse. It is a curiosity of our changing sensibility that these two splendid works, so different to each other but of equal weight, should immediately appear to be so much at home, rightfully installed among their peers; for it is not long since their presence, let alone their purchase, would have caused a storm. The Picasso is especially intriguing in this respect, an important transitional Cubist still-life of 1914, Fruit Dish, Bottle and Guitar, that shows the artist moving away from the analytical early phase of Cubism, affected by his experiments with collage, the space shallower, the image flatter and more frontally disposed. And Picasso, the arch-fiend, the destroyer of pictorial values, is shown by it to stand after Cézanne in the great classical tradition of Western painting that goes back to Poussin and beyond.

Greta Moll, painted in 1908, is unusual in that it is a commissioned portrait, the sitter herself an artist and sometime pupil of Matisse. It dates from the great early period in his career, when, having left Fauvism behind, Matisse had moved on to something simpler and more statuesque, and yet none the less decorative, space and image fully realised yet flat on the surface. And again, as with Picasso, not forgetting for a moment the decisive influence he was to have in the future, here he sits confidently and correctly in the grand tradition of European portraiture, heir to Titian and Veronese.

Neither the National Gallery nor the Tate needs to match the other in the strength and range of the other's holdings, nor aspires to do so. But the point needs to be made that for each to extend its scope by the occasional acquisition of significant works can do nothing but good. And, just as we continue to see Turner's wish honoured, to be hung beside Claude, so there need be thought nothing strange, certainly nothing revolutionary, should Courbet someday appear on Millbank, or Kandinsky or Mondrian ever turn up, as they surely will, in Trafalgar Square.

My Easter break inevitably cut across a number of exhibitions which otherwise would have received review, and none of them I regret more than the small show at Lumley Cazalet of etchings by Giorgio Morandi. The period covered is from 1915 to 1961, but all but a handful date from the decade or so up to 1933. They are extraordinary things, tiny, concentrated, densely hatched images, a few landscapes but mostly studies of still-life. And these collections of boxes, cups, jars and bottles, sitting so quietly yet so strong, take on a strange and monumental character, that places them beyond mere local incident and description. They are, quite literally, for all their size, great works, and we have until May 4 to enjoy them.

WILLIAM PACKER

The siege of the South Bank

Next Tuesday sees the first night of *For Services Rendered*, the Somerset Maugham play, at the Lyttelton Theatre. If everything goes according to plan the performance will be presented with full sets and costumes and the audience will be paying normal National Theatre prices. It is yet another sign of Sir Peter Hall's determination to fight the strike by stage staff which has crippled the National for six weeks and cost it £250,000, so far, in lost ticket sales, bar receipts, etc.

Within the next few weeks the postponed Simon Gray play *Close of Play* will also join the repertoire, although the delay has forced Peggy Ashcroft to withdraw and Anne Leon to replace her. In June *Despatches*, the play about the Vietnam War, is scheduled for the Cottesloe and the National will have managed to stage all its three planned new productions. Plays scheduled for later in the year, such as The Oresteia, will undoubtedly be postponed from their planned opening dates, but so far the National has not cancelled anything new because of the dispute.

The strike began on March 16 when 27 NATTKE stage staff walked out over a pay dispute. The National, being one of the main clients of the Arts Council, and, at second hand, the Government, has to follow pay guidelines more closely than private industry, and although the national stage staff earn £138 a week on average there is a tradition of militancy, which has created a spate of lightning unofficial stoppages—five in all—to the great chagrin of the National and its patrons. Hence the decision this time to make an issue of the conflict.

The National seems to have won the public relations battle. Equity has come out on its side, and the vast majority of the staff of the three-theatre complex is working normally—only around a sixth of the workforce of 350 are on strike. Indeed, the NATTKE members voted persuasively against making the dispute official, against the wishes of the union. The Theatre is attempting to settle the dispute over the heads of NATTKE by sending individual letters to the strikers offering to re-employ them on guarantees of co-operation, with today as the dealine for replies. Until the result of this initiative is known no other attempts are likely to solve the problem.

Although only a minority of the workforce is in dispute the picket lines are having a disheartening effect on audiences. When performances are possible the Cottesloe is full and the Olivier and *Lyttelton* operating at between a-half and two-thirds of capacity. But the difficulty in planning performances far ahead is having a bad effect on bookings, even though the National Theatre is offering a special reduced price of £2 for those plays being presented with "limited decor."

An indication of the management's success is the schedule for next week. From Monday to Thursday there are performances at both the Olivier and the Lyttelton, with *Strife* and *A Fair Quarrel* at reduced prices, while *For Services Rendered* starts at the Lyttelton. On Friday and Saturday *The Double Dealer* will be played at the Lyttelton, and *Lark Rise* at the Cottesloe on Saturday. There are platform presentations at the Olivier every evening at 6 pm.

By next week the National Theatre should have produced a provisional programme for the month of May and it hopes that then its box office receipts will pick up. For there is little point in winning the propaganda campaign if the complex is financially ruined. It is always a hard task balancing the books, and the Arts Council's offer to advance extra cash for the National to take over the lease of its site seems superfluous in the current conditions. At the end of the day, when the strike is over, someone will have to pick up the bill. The Arts Council is fully behind the National Theatre in its stand, which it regards as the stand of the British theatre against inflationary wage demands. Whether this support will extend to more cash has still to be decided. The National could be in danger of winning the battle, but losing the war.

ANTONY THORNCROFT

Michael Crawford in West End musical

Michael Crawford returns to the West End theatre in the musical "Flowers for Algernon," with Cheryl Kennedy. The musical is based on a novel by Daniel Keyes which was made into the film "Charly" and starred Cliff Robertson, who gave an Oscar-winning performance.

TV/Radio

† Indicates programmes in black and white

BBC 1

9.00 am Camberwick Green. 9.15 Scooby Doo. †9.35 Champion the Wonder Horse. 10.00 Indoors Outdoors. †10.25 Zorro. 10.50 "Secret of the Incas" (film), starring Charlton Heston.

12.30 pm Grandstand. Football Focus (12.35); World Ice Hockey Championships (1.05, 1.40); Racing from Leicester (1.20, 1.50, 2.20, 2.50); International Snooker (2.10, 2.40, 3.10) Embassy World Professional Championship; Boxing (3.30), World Light-Heavyweight Championship; Rugby League (3.50) John Player Trophy Final; 4.40 Final Score.
5.10 News.
5.20 Sport/Regional News.
5.25 The Hardy Boys and Nancy Drew Mysteries.
6.15 Rolf on Saturday—OK?
6.45 "633 Squadron" (film), starring Cliff Robertson.
8.15 The Val Doonican Music Show.
9.00 Election Broadcast by the Labour Party.
9.10 The Rockford Files.
10.00 News.
10.20 Match of the Day.
11.20 Saturday Night at the Mill.

All regions as BBC-1 except at the following times:—

Scotland—4.55-5.10 pm Scoreboard. 5.20-5.25 Scoreboard. 10.20-10.50 Sportscene. 10.50-11.20 Hello—I'm Bernard Sumner. 12.10 am News and weather for Scotland.

Wales—8.50-9.15 am Teliffant. 5.20-5.25 Sport/News for Wales. 12.10 am News and weather for Wales.

Northern Ireland—5.00-5.10 pm Scoreboard. 5.20-5.25 Northern Ireland News. 12.10 am News and weather for Northern Ireland.

BBC 2

7.40 am-1.30 pm Open University.
†2.50 pm "New Moon," starring Jeanette MacDonald, Nelson Eddy.
4.30 Open Door.
5.00 Snooker. Embassy World Professional Championship.
6.10 Indoors Outdoors.
6.35 Assignment.
7.05 News and Sport.
7.20 Rugby Special: Schweppes WRU Challenge Cup Final.
8.10 Khovanshchina (with Radio 3 stereo), Mussorgsky's opera, with Evgeny Nesterenko. Part 1.
9.00 Election Broadcast. As BBC-1.
9.10 Khovanshchina (contd.), Part 2.
11.15 News.
11.20 Snooker.
†12.10 am "The Brasher Doubloon," starring George Montgomery.

LONDON

8.35 am Sesame Street. 9.35 Superman. 10.00 The Saturday Morning Show. 11.30 Chopper Squad.
12.30 pm World of Sport. 12.35 Headline. 1.15 News. 1.20 The ITV Six: Newcastle (1.30, 2.00 and 2.30); Sandown (1.45, 2.15 and 2.55). 3.10 International Sports Special: professional Cycling from Hackney. 3.50 Half-time Soccer. 4.00 Wrestling. 4.50 Results.
5.05 News.
5.15 Happy Days.
5.45 The Masterspy.
6.30 Kidnapped.
7.00 Chips.
8.00 Celebrity Squares.
8.30 Lovely Couple.
9.00 Election Broadcast: Labour Party.
9.10 Police Woman.
10.10 News.
10.25 Roald Dahl's Tales of the Unexpected.
10.55 Never Forget Me: The Spirit of Sir Thomas Beecham.
11.55 Russell Harty.
12.55 am Close, with Michael Burrell.

ANGLIA

9.35 am Catch '79. 10.00 Clue Club. 10.30 Tiswas. 5.05 pm News. 5.15 Mork and Mindy. 7.00 The Life and Times of Grizzly Adams. 9.10 Vegas. 12.55 My God.

ATV

9.10 am Beyond the Moon? 9.35 Catch '79. 10.05 Call It Macaroni. 10.30 Tiswas. 5.05 pm News. 5.15 Bugs Bunny. 5.25 Grizzly Adams. 6.20 Mork and Mindy. 9.10 Vegas. 11.55 Westside Medical.

BORDER

9.00 am Sesame Street. 10.00 Saturday Morning Show. 11.30 Chopper Squad. 5.15 pm Mork and Mindy. 7.00 The Six Million Dollar Man. 9.10 Vegas. 11.50 Police Surgeon.

CHANNEL

12.18 pm Puffin's Pla(i)ce. 5.19 Mind Your Language. 5.45 Mork and Mindy. 9.00 Encore. 9.10 Vegas. 11.55 TBA.

GRAMPIAN

9.00 am Sesame Street. 11.30 Thunderbirds. 3.15 pm International Sports Special. 5.50 The Masterspy. 7.00 Grizzly Adams. 9.10 Vegas. 12.55 Reflections.

GRANADA

9.15 am Sesame Street. 10.10 The Beatles. 10.30 Tiswas. 5.15 Mork and Mindy. 9.10 Vegas. 11.55 Kung Fu (film) with David Carridine.

HTV

9.05 am It's Your Move. 9.30 Clue Club. 9.55 Melotoons. 10.05 Happy Days. 10.30 Tiswas. 5.15 pm Cartoon. 5.25 Chips. 6.20 Mork and Mindy. 9.10 Vegas. 11.55 The Electric Theatre Show.

HTV Cymru/Wales—As HTV General Service except: 6.20-6.50 pm Sion a Sian.

SCOTTISH

9.30 pm The Secret Lives of Waldo Kitty. 9.35 Catch '79. 10.05 Call It Macaroni. 10.30 Tiswas. 5.15 Laverne and Shirley. 5.50 The Masterspy. 7.00 Chips. 9.10 Vegas. 11.55 Late Call. 12.00 Police Surgeon.

SOUTHERN

9.00 am Sesame Street. 5.15 pm Give us a Clue. 6.30 Bionic Woman. 9.10 Hawaii Five-O. 11.55 Southern News. 12.00 Bygones.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 The Man from Atlantis. 10.05 Saturday Shake Up. 10.15 The Day The Earth Moved" (film) starring Jackie Cooper. 11.50 Sam. 12.15 pm Saturday Shake Up. 9.10 Vegas 11.55 pm The New Avengers. 12.55 am Epilogue.

ULSTER

10.10 am Positive Soccer with Jack Charlton. 10.35 Little House on the Prairie. 11.30 Sesame Street. 7.00 Six Million Dollar Man. 9.10 Vegas. 11.55 Laverne and Shirley.

WESTWARD

9.25 am Saturday Morning Picture Show. 10.55 Look and See. 11.00 Untamed World. 11.25 Gus Honeybun. 11.30 Tarzan. 12.27 Westward News. 5.15 pm Westward News. 5.19 Mind your Language. 5.50 Mork and Mindy. 9.10 Vegas. 11.55 Twenty-Nine. 12.25 Faith for Life.

YORKSHIRE

9.00 am Spiderman. 9.20 Countdown (film) with James Caan. 11.00 Showjumping with Harvey Smith. 11.30 Grizzly Adams. 9.10 Vegas. 10.55 Never Forget Me. 11.55 Going Home.

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Ed Stewart. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On (S). 5.30 It's Rock 'n' Roll (S). 6.31 In Concert (S). 7.30 Mike Read. 10.00 Discovatin. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary; Weather. 8.02 Paddy O'Byrne (S). 8.05 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Burl Ives (S). 1.02 I'm Sorry I haven't a clue. 1.30-6.00 Sport on 2: Football League Special (1.30, 2.00, 2.20, 3.05, 3.45, 4.42, 5.00, 5.45); Cup Tie Cricket (1.30, 2.00, 2.30, 3.05, 3.45, 4.50, 5.45); Benson and Hedges Cup opening day; Racing: Sandown (1.30, 2.10, 2.50, 3.30, 4.50, 5.45); 5.00 Sports Report. 5.00-5.45 Classified football checks; 5.45 Classified racing results; 5.55 Rugby Round-up; 5.20 Motor Sport. 6.03 European Pop Jury. 7.02 Beat the Record. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.30 The Midland All Stars (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 The Late Show, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S): Schumann, Schubert. 11.10 Irina Arkhipova (S). Song recital: Tchaikovsky, Sviridov. 11.45 Robin Ray (S). 1.00 pm News. 1.05 Mozart and Brahms (S). 2.05 Man of Action (S). 3.20 Baroque Music (S). 4.15 Collectors' Corner. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Arthur Rubinstein (S) Piano recital: Beethoven, Mozart. 7.30 The Atkinson People (S). 8.10 Khovanshchina (S). Opera by Mussorgsky (with BBC-2 television) Acts 1 and 2. 9.00 Interval Reading. 9.10 Khovanshchina, Acts 3, 4, 5. 11.15 Sounds Interesting (S). 12.05-12.10 am News.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Spring Fever. 9.00 News. 9.05 International Assignment. 9.30 Destination Downing Street. 9.55 News Stand. 10.15 Service. 10.30 Pick of the Week (S). 11.20 Time for Verse. 11.30 Wildlife. 11.55 Smith on Saturday. 12.00 News. 12.02 pm Help Yourself. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Bookshelf. 2.30 Theatre. 3.30 Does he take Sugar? 4.00 Choirs of Wales. 4.45 Down the Garden Path. 5.00 Kaleidoscope Encore. 5.25 The Jason Explanation of Education. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs, with Edward Fox. 6.50 Stop the Week with Robert Robinson. 7.30 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Offshore Britons. 11.00 Lighten our Darkness. 11.15 The Life and Times of the Orchestra (S). 11.45 Just before Midnight. 12.00 News.

CHESS SOLUTIONS

Solution to Position No. 265

1...Q-Q6? 2 R-R2, BxBP? lost to 3 Q-R7 ch, K-B1; 4 Q-R8 ch, BxQ; 5 RxB ch, K-N2; 6 B-B6 mate. Instead 1...RxN! 2 RxR (2 BxQ, RxR ch and RxB with a win on material), R-B8 ch; 3 K-R2 (3 K-N2; BxP ch; 4 K-R3, R-R8 ch; 5 R-R2, QxN; 6 RxR, Q-N7 mate), BxP! wins. If 4 RxQ, R-R8 mate, or if 4 RxB, QxR ch; 5 K-R3, R-R8 ch.

Solution to Problem No. 265

1 R-N3 (threat 2 N-B5), KxP (or K-R5) dis ch; 2 N-N2, or if Q-Q8 ch; 2 N-B1, or if QxR; 2 N-B5.

THEATRES THIS WEEK

SHAFTESBURY — *Canterbury Tales*. Dramatised versions, with songs, of a bunch of tales from Nevill Coghill's updated Chaucer. Reviewed Wednesday, Thursday.

KING'S HEAD, Upper St., N.1. — *Ladybird, Ladybird*. Spare, touching lunchtime one-acter about a poor single-parent family. Reviewed Wednesday.

ST. GEORGE'S — *Julius Caesar*. Italianate costumes with big floppy hats, and verse-speaking that belongs in the hustings outside, suggest Machiavelli rather than Shakespeare. Reviewed Thursday, Friday.

SOHO-POLY — *A Curse*. Evocative, sympathetic lunchtime piece about a man fighting against unfortunate sexual predilections, excellently played. Reviewed Thursday.

THEATRE UPSTAIRS—*Psy-Warriors*. Unorthodox happenings in a secret military psychological warfare centre provide opportunities for examining the moral issues involved. Interesting and well played. Reviewed Friday.

WESTMINSTER—*The Worst of Kenneth Robinson*. Good-natured, though philistine, commentary on current cultural affairs by amiable Mr. Robinson at his piano. Reviewed Friday.

The RSC's *Taming of the Shrew*, which opened at the Aldwych yesterday, will be reviewed on Monday.

WEEKEND CHOICE

SATURDAY — Mostly the puck moves too fast to be seen yet the **World Ice Hockey Championships** on BBC1 makes marvellous television. Alan Weeks who gives the commentary on the final from Moscow will find it hard not to call it "a very *physical* sport. . . ." Tonight's **Tales Of The Unexpected** on ITV is irresistible if only to watch John Gielgud act opposite the pneumatic Joan Collins. It is followed by **Never Forget Me**, a fond look at Sir Thomas Beecham with Simon Rattle conducting lollipops.

SUNDAY — Cricket opens with the **John Player League** on BBC2 at 1.55. The same channel starts a new **World About Us** series at 7.25 with a film about the domestic cat in the countryside. At 7.55 ITV show **Niagara**, an unremarkable film but for Marilyn Monroe. Opera Month ends with BBC2's *La Scala* recording of **La Boheme** at 9.10. **Agony** (ITV 9.30) ends its first very funny series. — C.D.

FINANCIAL TIMES SURVEY

Saturday April 28 1979

Malaysia

The race riots of a decade ago spurred the Malaysian Government into setting up a radical 20-year programme to develop the economy and combat the country's racial problems. Although the policy has already achieved considerable economic success, it is still far from clear how much the social engineering processes have reduced latent racial hostilities.

Progress towards racial harmony

BY PHILIP BOWRING

TWO THEMES dominate Malaysia's social structure: wealth and race. From the outside, it is easy to concentrate on only one of them. Either it is the Malaysia of abundant resources, human talent and the proven economic achievement of sustained 8 per cent growth, or it is the Malaysia whose racial mixture occasionally ignites.

The days ten years ago next month when Malaysia was stricken by race riots that left scores dead are still etched deeply in the consciousness of all Malaysians. The riots were also a watershed. They spurred the Government into creating the New Economic Policy, a radical 20-year programme aimed at restructuring the wealth/race balance to end the identification of race with class and economic function.

Dr. Mahathir Mohamad, Deputy Prime Minister, told the Financial Times that it was "a policy unique in the world and designed for a unique situation."

Last month the Government published its mid-term review of the Third Malaysia Plan, the five-year-socio-economic plan that ends in 1980. This is an important document because it contains the latest projections for NEP achievements by 1980, when the 20-year restructuring programme will be at the half-way mark. And it contains much of the data on which the Government will determine the priorities for the second decade of restructuring. The day is approaching when it must account to the voters for the difficult and detailed goals it has set for itself.

So far, the policy has had considerable success in re-dividing the economic cake while apparently not seriously retarding the growth of the cake. To cut the cake the Government has had to move from a largely laisser faire economic policy to one of interventionism, growing state ownership and a peculiarly racial form of redistributive taxation.

It is a tribute to the good sense of the bureaucracy, and of its political masters, that the inevitable NEP emphasis on wealth distribution has not unduly interfered with wealth creation.

On the other hand it is yet far from clear how far the social engineering processes have gone to reduce latent racial hostilities. Dr. Mahathir admits that in recent times "racial tensions have increased." He sees this as an inevitable result of the restructuring process itself, which upsets old expectations and creates new ones for all races.

In the final analysis, racial harmony is not a product of statistics achieving approximate equality of income, wealth, employment and education. Either it is a growing together of cultural attitudes and goals—for example in the relative importance of money-making to other social goals, or harmony will be achieved by acknowledgement by the races that a homogeneous society is not possible and they must make a virtue out of a pluralistic society — a kind of "separate but equal" situation.

The key to the NEP is discrimination—discrimination in favour of Malays, a process likened by Dr. Mahathir to discrimination in the U.S. in favour of Blacks to enable them to catch up. It is a policy accepted, in theory, by all groups, but the problem lies in determining where the invisible but very real dividing line lies between discrimination in favour and discrimination against.

There have been signs recently that many Chinese feel the line against them has been crossed. They point to the sharp rise in support in last year's election for the DAP, the main and largely Chinese opposition party. They express resentment over such things as the contrast between official antipathy towards the (mostly ethnic Chinese) refugees from Vietnam, and the help given to the Muslim refugees from the southern Philippines.

They wonder what racial harmony is supposed to mean when the Prime Minister clearly suggests, in a magazine interview, that because many Chinese are rich they should be content with second-class status.

But perhaps the most important of all issues is education. Last year this focused on the rejection by the Government of an attempt to set up the so-called Merdeak University — a privately-funded university which would cater largely for qualified non-Malays unable to get into university because of the discrimination in favour of Malays.

Many Chinese are opposed to the Merdeak University which they believe would be a focus of racial divisiveness. But they are unhappy at the way the Government keeps raising its pro-Malay goals in education. Malays now constitute 64 per cent of university enrolment, but in the mid-term review the Government for the first time has included people studying overseas (mostly privately) in its racial break-downs.

These are mostly Chinese unable to get into local university—the numbers of Chinese in universities in Malaysia actually fell slightly between 1975 and 1978 despite a 20 per cent rise in total enrolment. Including the overseas students brings the Malay proportion down to 43 per cent, in turn creating demands from many Malays for additional efforts on their behalf to achieve equality of numbers.

Education sums up a key problem of the NEP. Chinese may accept the principles of it, but their intensively competitive nature means that as individuals they fight against the consequences. Many Chinese are unhappy. But let no one doubt either the pressure that the UMNO (United Malays National Organisation)-dominated government is under from Malay voters to deliver equality of jobs, incomes and education.

Contrasts

Last year UMNO trounced a Right-wing challenge from the ultra-Malay, ultra-religious Parti Islam. But the extremist threat to its flanks does exist and could be strengthened by the world-wide revival of Islam. A combination of Malay nationalism with Islamic fundamentalism would be powerful and dangerous.

UMNO has retained the Malay nationalist allegiance while the mainstream of religion has remained conservative and unfanatical. But UMNO must constantly tend their grass roots. Sometimes that means it must pander to racial sentiments (just as the DAP sometimes panders to Chinese sentiment). But UMNO is the party of moderation, of co-operation between the races, and of a secular society. It is the main party in a government which has presided over a period of sustained rapid economic growth—growth sufficiently rapid to have eased the problems of over-expectation and kept at bay the frustrations against the NEP among the poorer Chinese.

The threat of Communist subversion, which revived in 1975 as a consequence of events in Indo-China and domestic economic downturn, has been reduced to minor proportions. The growth of regional cooperation within the ASEAN community has enlarged political horizons and perhaps introduced another moderating influence into domestic affairs.

The basic good sense of Malaysian policy makers is also well illustrated by their attitude towards commodity pacts in general and the two in which they are so powerful: tin and rubber. In particular, they have a moderating, pragmatic influence on others.

At home, economic growth has been too consistent to be regarded as a flash in the pan, and though government intervention, in pursuit of NEP goals, has grown it is still at a lower level than in many supposedly open, capitalist economies. Private investment has fallen behind the ambitious targets set for it by government, but it seems that businessmen, both foreign and local Chinese, are still making their decisions on the basis of profit potential and are not unduly influenced by fears about the NEP.

An 8 per cent growth rate has enabled restructuring of the economy to take place relatively painlessly and provided the cash to pump into massive productive schemes for education, land development and the like. Though the NEP has probably slowed growth in parts of the private sector, it has given an urgency to other sectors. Growth objectives have spurred government into taking a less conservative attitude to its own fiscal policy than used to be the case.

The economy has the resources, the manpower and the capital to continue to achieve a high rate of growth, and it is vital for racial harmony that it does so. But there are worries in the background that recent performance has been too reliant on the oil bonanza and on buoyant prices for almost all export commodities.

There is concern too that the size of the public sector is already too big and will grow inexorably because of the restructuring demands of the NEP, giving rise to inefficiencies, subsidies and an excess of political and bureaucratic patronage.

Malaysia's history over the past decade has shown pragmatism, tolerance and common sense winning out over racism, chauvinism and dogmatism. But it is not at all clear how well racial harmony would stand a sustained slow-down in economic growth. Rapid growth does not just enable the Malays to acquire a larger slice of the cake without depriving the non-Malays. Rapid growth keeps everyone busy. And, most of all, it gives all races an unbeatable reason for keeping the brotherhood of mankind and self-interest in balance.

The economy

Steady growth in the past year

THE ECONOMY maintained a steady growth pace over the past year. Gross National product expanded by 7.5 per cent in 1978 and a similar figure was recently forecast for 1979 by the Bank Negara, in its annual report.

The performance over the past two years (and looking into 1979) is slightly below the 8.2 per cent target set in the Third Malaysia Plan (1976-80). But due to double digit growth achieved in 1976, a year of recovery from the recession, the overall plan target still looks within reach.

The Mid-Term Review of the Plan, published last month, predicts real growth of 7.8 per cent in 1979-80. However, the composition of TMP growth is likely to turn out substantially different from originally envisaged.

Four factors have stood out: the rapid growth of the petroleum industry; firmer than expected prices for Malaysia's main commodity exports; weak performance of agricultural output in volume terms; and unsatisfactory rate of growth of private investment.

When the TMP was launched in mid-1976, emphasis was placed on the private sector as the engine of growth in contrast to the Second Plan, which had seen the launch of the massive social engineering objectives of the new economic policy. For the TMP, private investment was targeted to grow at 9.9 per cent annually as against only 82 per cent for the public sector.

During the Second Plan, public sector investment had increased by a dramatic 17 per cent annually, compared with only 7 per cent for the private sector.

However, the intended shift to the private sector has not happened. Non-oil private investment grew at only 7.1 per cent during 1976-78.

The oil industry was omitted from TMP calculations as at the time new development was stymied by a stand-off between the companies and Petronas, the State oil entity. Inclusive of the rather exceptional oil investment by the private sector since the deadlock was ended, private investment during 1976-1978 increased by 9.6 per cent.

It is the non-oil sector which is the key to sustained growth and there are mixed views about what has been happening to it. Initially, the private sector complained both of over-capacity and of the debilitating impact on investor confidence of the industrial co-ordination act. The ICA gave sweeping power to the Government to withhold operating licences from companies deemed not to be doing sufficient to meet new economic policy requirements.

Recognising that the Act was at least doing some psychological damage to private sector sentiment, the Act was amended early last year to meet some of the objections. The willingness of the Government to alter a politically important piece of legislation to appease the private investor was seen as a sign of its determination to promote investment.

Revived

It maybe just coincidence but private investment has revived since the amending of the Act. Last year, non-oil private investment grew at an encouraging 12 per cent. And a similar rate of increase is forecast for 1979.

The buoyancy of private investment is illustrated by the demand for loan demand. Bank credit jumped 30 per cent last year. And though the rate of increase is expected to slow in 1979 the Bank Negara (Central Bank) is maintaining a fairly easy money policy in order not to nip any investment in the bud. The bank's annual report noted that the investment-recovery was still far from strong and self-sustaining.

It is not clear how much of the increase in investment has been towards the productive sector of the economy. Spending on new housing has been a very high level and there appears to have been substantial investory building by manufacturers. The trend in investment in new capacity is less clear. Approvals for new projects and extensions of existing ones granted by the Malaysian but there may be a higher rate implementation of prior approvals.

Last year, manufacturing output rose by 14 per cent which is now the average for 1976-78 and well ahead of the TMP target of 12 per cent. Though local consumer demand has been strong, the boost last year came primarily from manufactured exports which rose 36 per cent led by electronics which leaped 105 per cent to M$1.7bn and represented 47 per cent of manufactured exports (excluding processed palm oil). However, value-added in electronics appears to be rather small.

Altogether, it seems unclear whether private manufacturing investment really is recovering. Though the Government says that Malaysia's poor performance in this regard has merely mirrored the world-wide investment depression, critics say this no longer a very convincing excuse in view of the strength of consumer demand in Malaysia over the past three years.

Private consumption grew an average 9 per cent a year during 1976-78, more than twice the rate during the Second Plan and well ahead of target.

Consumption boom has not affected overall savings growth noticeably. Indeed, gross national saving last year hit a

CONTINUED ON NEXT PAGE

Politics

The leadership endorsed

THE RESULTS of the Malaysian general election of last July—the major event in the political calendar of the past year—gave cause both for comfort and concern.

The reason for concern was that the pattern of voting took a further shift towards reflecting the country's racial divisions. The Chinese-based opposition Democratic Action Party (DAP)—an avowedly multiracial party but appealing to the grievances of the Chinese community against Malay domination—picked up 16 seats in the new Parliament, more than any other single opposition party has gained in the country's history.

Nationwide it won about 20 per cent of the vote—the Chinese account for more than a third of the population—but in the seats that it contested. Mr. Lim Kit Siang, the DAP leader, claims it picked up about 80 per cent of Chinese votes. Its successes were mainly in the urban areas, including the capital Kuala Lumpur, where the Chinese are often in the majority and Chinese resentment runs highest against the Government's policy of favouring Malays in the allocation of jobs and places in educational institutions. The extent of communal support was all the more striking in view of the considerable clampdown on the party's campaigning activities, leading Mr. Lim to charge that the elections were "the most unfair and undemocratic" in Malaysia's history.

Public rallies were banned by the Inspector General of Police on the grounds that communist insurgents might attempt to disrupt them and incite communal violence. The DAP got minimal coverage in the Press and on radio and television. Two of the DAP candidates fought from prison and won. And Mr. Lim himself faced charges over a breach of the Official Secrets Act on which he was later convicted and his appeal against which has still to be heard.

The cause for comfort is that the sheer size of the victory of Prime Minister Datuk Hussein Onn's ruling National Front shows that there is a great deal of backing for his attempt to command the middle ground of politics against the worst extremities of either Chinese or Malay prejudice. The Front—a coalition of 10 parties representing Malay, Chinese, Indian and regional interests but overwhelmingly dominated by Hussein's own United Malay National Organisation (UMNO)—won 131 of the 154 seats in the House of Representatives and majorities in all 13 state governments.

The number of seats the front obtained overestimates its popular support, as it polled only about 55 per cent of the votes. Nonetheless, most Malays preferred it to the alternative of the Party Islam which offered a firebrand dose of Malay and Moslem fundamentalism and which politically has since gone into eclipse after posing 18 months ago what seemed to be a serious challenge to the Front.

Evidently a good many Chinese and Indians also thought the Front a safer option to the uncertainties of embittered by racial politics. If they dislike many of the measures that UMNO has imposed on the Government in the interests of Malays, they profit sufficiently from the country's overall prosperity to swallow the less palatable aspects of the New Economic Policy.

As a result of his success in the election, the Prime Minister has emerged in a far more dominant position over the Government and his party than before. One of his reasons for calling the election earlier than was necessary was the challenge to his authority both from the powerful UMNO youth leader, Datuk Harun Idris, and from demonstrative factions in states such as Kelantan. At the UMNO party assembly that followed shortly after the election, Datuk Hussein's supremacy—for all his reticent public manner and his slow, unemotive leadership—was heavily endorsed. Harun has been effectively removed from politics by his conviction on corruption charges and the Prime Minister's refusal to show him clemency. Kelantan, like the other states, is more beholden to the central government because of the front's victory in the state elections and the appointment of new chief ministers in a number of states who reflect the Prime Minister's wish for more honest and efficient administration.

The hierarchy of leadership beneath him has also emerged more clearly with Dr. Mohamed Mahathir, the Deputy Prime Minister, who also holds the key portfolio of industry and trade. He is the Prime Minister's evident successor and the man with most responsibility under the New Economic Policy for carrying through the almost impossible balancing act of fulfilling Malay ambitions while not frightening off potential Chinese or foreign ambitions. Dr. Mahathir has now established himself as more of a neutral figure in this tussle than the open champion of the Malay cause that he was 10 years ago when he published his "The Malay Dilemma," which is still banned in Malaysia because of its racial overtones. Below him the new generation of politicians is dominated by the rivalry between Datuk Musa Hatim, the Education Minister, and Tengku Razaleigh, the Finance Minister. Personalities and patronage, not issues of policy, are more important in determining who will come out on top.

Even before the election had confirmed the communal pattern of voting, Mr. Hussein had abandoned his old dream of making UMNO a multi racial party. Membership is still closed to non-Malays and Mr. Hussein has reluctantly accepted that the structure of politics in Malaysia is still going to be determined by race—although he holds fast to his ambitions of creating a multi racial society.

Inevitably this means that the future of UMNO will be determined by the way it is able to accommodate Malays of widely differing views—from those like Mr. Onn himself, with a deep commitment to establishing a multiracial Malaysia to Malay and Moslem nationalists who once gave the extremist Party Islam their support. Inevitably this also means that some of the UMNO's partners in the coalition Government have lost credibility with their own communities. The Malaysian Chinese association (MCA) and the Chinese-based Gerakan Party thus both lost ground in the elections. Their main appeal to their supporters is the patronage they can bestow on them through partnership with UMNO in the Government. But even this is wearing thin. The Chinese business community, which once looked to the MCA to lobby for their interests, now see it more worthwhile to press their case with Ministries directly.

If Datuk Hussein has lost hope of persuading his fellow party members to open the doors of UMNO to non-Malays, he has made a determined attempt since his election victory to demonstrate that he wants to give a better deal to the Chinese. This has emerged in his recruitment of able Chinese to his administration, such as Mr. Paul Leong, a chemical engineer in his late 30s who has been made Minister of Primary Industries, and Mr. Leo Moggie, who has taken over the Ministry of Energy and Communications. Both these posts, however, are technocrat appointments, which carry little political weight, especially as the administration of the Rubber Industry Smallholders Development Authority (RISDA)—an important source of patronage to the Malay community—has now been removed from Mr. Leong's responsibility. Also part of the attempt to woo the Chinese business community are the modifications to the industrial co-ordination act, which is the main instrument for monitoring implementation of the New Economic Policy.

The same emphasis on efficiency and a cleaner administration has been apparent in the fast promotion that Datuk Hussein has given to young and able Malays. Having stood fast against pressure on him to show leniency to Datuk Harun, he has made the campaign against corruption one of the hallmarks of his new Government. Appointments in this vein have included Abdul Manam Othman as Minister of Public Enterprises, Sanusi Junid, a banker with experience in rural credit, as Deputy Minister for Land and Regional Development, and Adib Adam, 37, as Chief Minister of Malacca.

Both the Chinese leaders and Dr. Mahathir agree that racial tensions have been growing in recent years as the New Economic Policy begins to bite, whetting the appetite of Malays for more advantages and feeding Chinese resentment that they are being deprived of opportunities. The temperature unpredictably rises and falls with the ever present possiblity of communal violence, especially in the towns.

The strains have recently clearly emerged over two issues. The first was the renewal in Parliament by Mr. Lim, the DAP leader, of a long standing demand for what would effectively be a private Chinese university — the Merdeka University. This was a provocative move, bound to enrage Malays, who see such an institution as restoring the educational advantages the Chinese once had and as likely to unite the Chinese against domination by Malays. After heated debate the Government turned down the demand, and the issue of the right to establish a private higher education institution is now to come before the courts.

The second issue is an equally long standing demand by the radicals among the Malays that the law of the country be based on Islam instead of the British system inherited at the time of independence. This is due to come before the next session of Parliament.

Fright

The strength of these calls for reform has given a considerable fright to the sultans, who are nominal rulers of most of the states, and to the Malay elite, as well as more obviously to the non-Moslem communities. It would represent more of a threat to them all if the Islamic movement was united. But at the moment it is sharply split, with youth movements like ABIM advocating a "progressive" Islamic society, while another group, Al-Arkam, has put most emphasis on the carrying out of Islamic rituals and has established its own commune where Islamic practices are fully observed.

In this situation the Government justifies its use of the Internal Security Act to detain suspects without trial, and its restrictions on Press and academic freedom as necessary to keep communal tensions within bounds and prevent the Communist insurgents from exploiting them. The number of Communist guerrillas is put at 3,000 but there is no way of confirming this figure, and they do not seem to have been active of late.

Among permitted political parties such restrictions work most forcefully against the DAP. Mr. Lim's political objectives are to gain control of states such as Penang and Perak, where the Chinese are in a majority. But even if he does it is hard to see the Government allowing him to exercise anything but very limited power.

In the past the Federal Government has been quick to invoke its emergency authority against states that have not the line to put them under federal control.

While the economy continues to perform well the hope must be that enough people feel they have a worthwhile stake in the country to draw back from extremist positions. The corollary to that, however, is that in a recession the risks of growing communal tension and violence would inevitably increase.

David Housego

Steady growth

CONTINUED FROM PREVIOUS PAGE

high of 25.8 per cent of GNP. But a combination of increased consumption and higher capital outflow have reduced the availability of private savings for domestic investment. Total private savings for the TMP period have been revised down from M$31.7bn to M$27.7bn.

Public development expenditure has been greatly stepped up. Public sector investment grew 8.3 per cent in real terms in 1976-78 and the rate would have been much higher but for the fact that neither Malaysian Airline System nor Malaysian International Shipping Corporation (MISC) made any capital purchases last year.

These public sector corporations have some major acquisitions coming up. As a result, despite a slowing of the Government's own spending, public sector growth in 1979-80 will be more than 15 per cent annually and bring the TMP annual average to about 11 per cent, or close to double the original target. Even without MISC and MAS, the increased GNP contributions, development spending allocation for the TMP have been raised from an original M$18.6bn to M$32bn.

However, the announced 73 per cent increase is misleading—what counts is actual spending which lags well behind allocation. It is expected to reach M$25bn, an increase of 25 per cent on the original target.

Quite what the increase means in terms of physical achievements is not quite clear.

The original plan had built into it an assumed inflation rate of 5 per cent.

The actual annual rate of consumer price increase recorded so far has been very close to that, but Government economists say that costs of construction and capital goods have tended to rise more rapidly than the consumer price index which is heavily weighted towards essentials, which are subject to price controls.

Only part of the increase in development budget outlays is directly reflected in public sector contribution to gross national expenditure. A substantial part goes to agencies engaged in equity participation and ownership restructuring in the private sector.

The Government is able to finance its increased development spending through higher-than-expected revenue and a check on public consumption. Public consumption averaged 9.8 per cent growth in 1976-78, but a tighter grip on it has now been introduced. This year's budget provides for an increase (in current prices) of only 7.4 per cent in operating expenditures, following a 9.5 per cent rise in 1978.

Meanwhile, buoyant revenues generated current surpluses for the Federal Government in 1977 and 1978. Revenue collections rose 20 per cent in 1976, 26 per cent in 1977 and 9.5 per cent last year. A major cause has been petroleum revenue which last year totalled M$880m, or 10 per cent of total revenues.

High commodity prices also boosted both export taxes and corporate income tax. Export duties, of which rubber provides about half, account for 17 per cent of revenue and corporate income tax about 27 per cent.

The Government now expects the public sector current surplus for the TMP period to be M$5.9bn, compared with an original estimated M$1.9bn. Despite increased development spending, the Government has been able to revise downwards its public sector borrowing requirements from both domestic and external sources.

Net foreign borrowing by the public sector in 1979-80 is now put at M$1.8bn to bring the TMP total to M$3.5bn.

A very healthy trade balance, achieved in the past three years, has greatly reduced the need for foreign financing. The current account was in surplus by M$1.8bn in 1976 and M$1.3bn in 1977.

Last year it slipped into a small deficit, but even on the assumption of deficit totalling M$3bn in 1979-80, the Third Plan aggregate would still be in surplus compared with an originally expected M$5bn deficit. However, much of the benefit seems to be seeping away in a huge deficit on short-term capital flows, errors and omissions.

Part of the deficit may be accounted for by under-recording of service payments, especially tourism, to Singapore. Some local companies, notably Petronas, have been deliberately building bank balances abroad. However, there are worries that the outflow is higher than is healthy.

The ringgit has remained steady on a trade weighted basis. But some economists considered that in view of the strength in the current account it should have been allowed to rise to reduce inflation pressures.

The boost given to GNP, export and government revenues by oil buoyant prices for commodities cannot be forgotten. Crude oil exports grew at an annual average 43 per cent by volume and 49 per cent by value in 1976-80. They now total M$2.4bn or 14 per cent of total exports.

Originally, the Malaysian Government emphasised that it was pursuing a policy of slow, conservation-conscious oil development. But this policy seems to have been discarded in favour of maximum growth.

However, many warn that its coincidence with booming earnings from other products may be creating a complacent attitude towards the longer-term trend in export growth. Pessimists suggest that if the economy can only just meet its growth targets when exports were exceptionally strong, and the whole economy is benefiting from the oil windfall, its prospects look cloudy if external conditions turn sour. Comparison with the export price performance of the neighbouring Philippines shows just how lucky Malaysia has been recently.

Last year, terms of trade improved, albeit only marginally, for the third year in succession, making a 40 per cent gain since 1975. At present there is no sign of an end to the run of good fortune.

Philip Bowring

Foreign affairs

Neutral policy under strain

IF THE militant neutralism which was the legacy in foreign policy of Tun Abdul Razak, the predecessor as Prime Minister of Datuk Hussein Onn, has not been abandoned as a result of the recent events in Indochina, it has been badly strained. The Malaysians now find it harder to press with much conviction their ideal of a zone of peace, freedom and neutrality in South East Asia embracing Vietnam after Vietnam's treaty of friendship with Russia and its invasion of Cambodia. As yet Malaysia has not formulated any alternative foreign policy to take account both of Vietnam's act of aggression and of the region increasingly becoming a focal point for Sino-Soviet rivalry. There may, however, be no realistic alternative even though the zone of peace looks increasingly like wishful thinking.

Tun Razak's policy of neutrality had its roots in the withdrawal of British forces from Malaysia eight years ago. In the absence of the meagre defence umbrella that the British forces had provided, the most sensible course for a Malaysia that had passed through the traumas of fighting communist insurgency during the Emergency and then of confrontation with Indonesia appeared to be one of active non-alignment. Malaysia thus declined to get involved in the U.S. tussle in Vietnam, in contrast to Thailand or the Philippines which provided the U.S. with bases.

It won in principle the support of its partners in the five-member grouping of the Association of South East Asian Nations (ASEAN) for the concept of the neutralisation of South East Asia as a whole as a way of preventing great power rivalry in the region. It was the first of the ASEAN states to exchange diplomatic representatives with Hanoi. Since the end of the Vietnam War it has been to the fore in promoting exchanges with Vietnam, including programmes of economic co-operation such as providing Vietnam with assistance in developing its rubber industry. It was also the first ASEAN state to establish links with China.

But as a result of Vietnam's treaty of friendship with Moscow and its invasion of Cambodia, Malaysia has effectively suspended the rubber agreement. It no longer feels that there can be an accommodation with Vietnam on the basis of mutual sincerity and goodwill. China's action in teaching Vietnam a lesson by the attack on its frontier is seen as beneficial if Vietnam has learnt as a result that it cannot act towards its neighbours with impunity. On the other hand the Chinese attack is seen as a bad precedent and a damaging blow to Malaysia's policy of attempting to keep the major powers from competing in the region.

Both acts of aggression have deepened Malaysia's long-standing distrust of Vietnam and China, which has been a continuing undercurrent to a policy of overtly friendly gestures. Malaysia views its security in the broad perspective in which that the two states are both expansionist powers. For the moment Malaysia is more preoccupied with Vietnam — especially since Vietnam allowed Russian warships in March to dock at Cam Ranh Bay. It has told the Vietnamese that Malaysia would regard the granting of base facilities to the Russians at Cam Ranh Bay as a "very dangerous" step.

Failure

Malaysia also regards Vietnam's failure to take any serious measures to stem the flow of boat refugees as a deliberate step towards dividing and undermining the ASEAN states. Malaysia is the one most affected as the nearest landing point to Vietnam and the state least able to cope with an influx of ethnic Chinese because of its already delicate racial balance. By the end of March the number of boat refugees in Malaysia had risen to 57,000 in spite of often callous attempts by the Malaysian Navy to drive the refugee boats away.

But the more dangerous threat in the long run is seen to come from China. This is partly because of China's size and its historic claims to tribute from south east Asian states. But it also stems from fear of China's influence over Malaysia's ethnic Chinese community and Peking's support for the Malaysian Communist Party, which recruits from among the ethnic Chinese.

Malaysia's deep seated fears of Vietnam and China were clearly reflected in a speech given by Ghazali Shafie, the Home Minister and formerly the senior official in the Foreign Ministry, in November. Though admittedly a hardline anti-Communist, and claiming to be voicing only his own views, his speech was nonetheless given immense prominence in the Government-inspired Press. Calling for the greatest circumspection and vigilance towards China and Vietnam, he disparagingly referred to the visits to South East Asia last year of Pham Van Dong, the Vietnamese Premier, and Deng Xiaoping, the Chinese Deputy Vice-Premier. He implied that the offer of friendship by the first in renouncing support for the Malaysian Communist Insurgents and the openness of the second in publicly stating that China would continue to support the Malaysian Communist Party on the basis of inter-party relations were different facets of the same Communist ambition to undermine Malaysia.

Mr. Ghazali Shafie is often used by the Government in sensitive diplomatic missions. His role points to one of the weaknesses of Malaysia in shaping its foreign policy—that the Ministry of Foreign Affairs, with some notable exceptions, is not strongly staffed and has an indifferent record in gathering intelligence and assessing it. There is little doubt that it has been made to look foolish in recent months by its former willingness to take Vietnam's gestures of goodwill seemingly at face value.

The visits of both Dong and Deng were attempts to win Malaysian support to the rival causes of Vietnam and China in Indochina. Though Mr. Dong was treated with more distrust, remarks of Mr. Deng caused the greater concern. Not only did the Malaysian Government feel embarrassed by his open support in Kuala Lumpur for the Malaysian Communist Party, they were also angered by two other statements he made which implied that Malaysian Chinese did not have the same rights in the country as Malays—an assertion liable to fuel communal tensions — and that Peking had a right to protect overseas Chinese who did not have local nationality.

The way that Malaysia was able to co-ordinate with its partners in ASEAN a common stance towards the visits of the Vietnamese and Chinese leaders—and later towards the two countries' acts of aggression —was impressive evidence of the growing co-operation among the ASEAN states. So long as the Indochina conflict does not spill over into their own territories, they for the moment view the squabbling between the Communist states as beneficial to them. Malaysia certainly does not want ASEAN to be further strengthened into a military pact. Apart from the fact that this would be taken as an act of confrontation by the Communist states, there are still numerous points of dispute amongst the ASEAN countries that would make any such tie-up difficult.

Respect

Malaysia's relations with the Philippines are more difficult than with any other of the ASEAN states. President Marcos has still to drop the Philippines' claim to Sabah, in spite of his promise to do so.

As the war in the southern Philippines between the Moslem insurgents and the Marcos regime picks up again, there are signs that the insurgents are again receiving support from sympathisers in Sabah. At the same time some of the 100,000 Filipino Moslem refugees in Sabah are being granted jobs and land by the Government—a stark contrast to the treatment of boat refugees from Vietnam.

Malaysia has drawn closer to Thailand out of respect for the leadership of General Kriangsak Chamanan and the way he has walked a delicate tightrope in relations with China, Russia and the Indochina states. But Malaysian reluctance to engage in joint military action against Thai moslem secessionists on Thailand's southern border puts a limit on their joint operations against insurgents.

Relations with Singapore continue to be edgy—a reflection of Malaysia's uneasiness at the success of its Chinese neighbour and a desire to emulate it. But on important issues of security and co-ordination within ASEAN there appears to be proper consultation.

Internationally Malaysia's image has been dented by its often heartless treatment of the Vietnamese boat refugees. The Malaysians deeply resent the unfavourable publicity they have had on this score, feeling that it shows a lack of awareness of their serious communal problems and an equally unjustified self-righteousness by the western nations who have refused to provide sufficient quotas of final destinations for the refugees. If Malaysians are right in thinking that 500,000 to 1m refugees could eventually leave Vietnam, then they have a point in claiming that their own nation of 12m could not absorb further large numbers of ethnic Chinese.

Negotiations

As a major producer of primary commodities Malaysia has been actively involved in negotiations over commodity price stabilisation—more particularly in the bargaining over the operation of the tin and the still embryonic rubber agreement. Its manufactured exports are not sufficiently large to have run into serious protectionist barriers except in a few products and in certain markets—particularly Australia and the EEC. With Australia, Malaysia has been involved in a more serious dispute over air traffic rights and Australian trade union action against Malaysia's national carrier—Malaysian Airlines System (MAS)—in support of union members of MAS who have been detained under the country's internal security Act. But with political problems in abundance at home and in the region, Malaysia is a country that prefers a low profile in international affairs.

David Housego

Banking

A moderate year

THE PAST year has been a good one for Malaysian commercial banks—but a disappointing one for the merchant banks.

The commercial banks expanded in line with the growth of the economy. Their liquidity ratio, which was a staggering 41.8 per cent at the start of the year, fell significantly during the year with the strong demand for credit.

The two largest banks—Malayan Banking and Bank Bumiputra—made profits of over 40 per cent, and expect good results this year.

On the other hand, the 12 merchant banks felt their margins being squeezed by tight money conditions. Most of them either managed with marginal gains or losses, with the exception of Arab Malaysian Development Bank which advanced on the strength of its overseas operations.

Bank liquidity began falling at the start of the year and became more pronounced in May when there were substantial withdrawals by the private sector for subscription to the first Government loan and for tax payments. Interest rates rose sharply, at times exceeding the prime rate of 7.5 per cent.

The money conditions became even tighter during the third quarter, with strong demand for credit. The liquidity ratio fell to 30.5 per cent in November, and only rose back to 36 per cent in December when Bank Negara, the Central Bank, reduced the statutory reserves and freed 182m ringgits into the system.

Deposits of commercial banks rose by 20 per cent to reach R14.8bn by December, 1978. But credit and advances expanded much faster by 28.6 per cent to R12.3bn.

In conformance with the new economic policy, banks have to follow certain guidelines from Bank Negara on lending. Specifically, they have to channel at least 20 per cent of increases of loans since 1977 to the Bumiputra (Malay) Community, 10 per cent to housing, 25 per cent to manufacturing and 10 per cent to agriculture.

Good progress was made in lending to Bumiputras and housing, but loans to agriculture were particularly dismal, accounting for only 2.9 per cent of total increase in credit.

Many banks, especially the foreign ones, say there are not many "bankable" agricultural projects, and want the target to be reduced to 3 per cent. But this has drawn a strong rebuke by Tan Sri Ismail Ali, the Central Bank Governor.

"Agriculture is the most important sector in our economy. Yet total loans to agriculture amounts to only 8 per cent. This is intolerable," he said.

"I know handling agriculture loans is a specialised and dirty type of work, but it's no use talking about the lack of projects if you sit on your backside in your air-conditioned office—you have got to go out, and I am sure there is a lot of business to be done in the agriculture sector," he told bankers.

Twelve of the 37 banks have not met their target. They have to deposit money equivalent to their shortfall to the agriculture bank at 5 per cent interest per annum. The bank will lend the money to farmers.

Banks which did not meet targets to the Bumiputras are also required to make similar deposits with two Government agencies.

Significant measures were announced in last year's budget, to promote a financial and commodity centre in Kuala Lumpur. These include the doing away with the 15 per cent withholding tax on interest payable to non-resident banks, free interest rate, and introduction of bankers acceptances and negotiable certificates of deposit.

By abolishing the withholding tax, the authorities hope to create conditions necessary for banks to quote competitive rates, in the Malaysian currency, the ringgit.

By allowing commercial banks to quote their own interest rates, the authorities want to encourage healthy competition. The move will put pressure on the small local banks.

Foreign banks had been disadvantaged in the past by their inability to open branches. Now they can compete for deposits by offering better rates. After some weeks of "wait and see," the competition is on. Banks and finance companies are revising rates, and gone actively to attract deposits.

Reformed

Bankers' acceptances and negotiable certificates of deposits will be introduced next month.

Liquidity ratio requirements have also been reformed so that the user of the deposits will have to comply with liquidity requirements instead of the bank which first accepted the deposits.

The activities of merchant banks are expected to undergo distinct reorientation following the directive that at least 30 per cent of their income must come from fees, as opposed to fund-based income, by the end of 1981.

In the past, merchant banks have tended to concentrate on the more elementary (but more profitable) aspects of funding by borrowing from commercial banks and lending to clients, thus making money on the spread.

Bank Negara is also worried about the unhealthy trend of merchant banks of borrowing short and lending long, as it feels this could put severe stress on the whole financial system when tight money conditions persist.

Currently, fees form about 25 per cent of the industry's income, but the position varies greatly, with some banks having less than 10 per cent of their income from fees.

After being in the doldrums since the boom days of 1973, the Kuala Lumpur Stock Exchange saw a very active year. Volume traded rose 85 per cent to 1,107m units. Value was 142 per cent higher at R2.5bn.

The market got off to a good start, encouraged by several bonus issues, higher dividends by several companies and firm conditions in other exchanges in Singapore, Hong Kong and London.

The bullish trend continued up to early September, after which the market took a plunge when the Singapore authorities imposed a 20 per cent margin on settlements to cool speculative sentiments. In a parallel move, the Kuala Lumpur authorities told brokers to insist on prompt delivery of scrips. Sentiments, however, recovered at the end of the year, and the bullish trend has persisted so far this year.

The Kuala Lumpur Exchange Industrial Index has been hitting the 340 mark this month, compared with 227 on January 2, 1978.

Currently, attention is focused on plantation shares, in line with the recovery of palm oil and rubber output from the drought of the past two years, and the buoyant prices for the two commodities.

Wong Sulong

Planning

Income disparities still a problem

BY THE time the Third Malaysian Plan has run its course, 20 months from now, the country will be at the half-way mark in its 20-year socio-*economic revolution aimed* at giving Malays a stake in the modern economy which is roughly equivalent to their numbers.

The recently-published mid-term review of the Plan is therefore an important indicator of how much progress has been made, and what priorities may need to be adopted by those now beginning to work on the Fourth Malaysia Plan.

The slowest progress is probably being made in that sector which often attracts the most attention—the corporate sector. By the end of last year, the Bumiputra (Malay) ownership of share capital had reached 10.3 per cent compared with 9.4 per cent in 1975 and 4.3 per cent in 1971 at the outset of the new economic policy. (The share capital figures include net local assets of foreign companies as well as the paid-in capital of local limited companies.)

This *is* a modest rate of advance, especially in the context of the large sums that have been pumped into share acqui*sition by the Government— for* example Pernas early on exceeded its original Third Plan allocation when it took over the big tin group London Tin.

Though much is said about the need to raise the rate of *household* savings among Malays so that they can afford to buy shares, no one seems confident that this is likely to happen in the near future. The Government stresses the need to raise Malays' earnings to average Malaysian levels before any big personal savings start to accumulate, and before serious thought is given to disposing of shares held in trust by institutions to individual Malays.

There is a deep-seated worry that if shares were made available to individuals many Malays would sell their shares to Chinese, defeating the whole purpose of the exercise. But the government is also reluctant to tell Malays that they cannot sell their shares to non-Malays as this would create a two-class share market and be another indicator of socio-economic division.

Another problem *confronting* the growth of Malay ownership is whether or not share capital will grow fast enough to permit their share to reach the 30 per cent target by 1990 on the basis of growth of total capital rather than acquisition from existing shareholders.

To achieve that target, share capital has to grow at about twice the rate of nominal Gross National Product. For a country at its stage of development, Malaysia already has a large corporate sector. The evidence on its rate of growth is confusing but not encouraging. According to Third Plan figures, between 1971 and 1975 share capital growth was no faster than GNP. However, these *figures have now been revised* drastically upwards to show an annual average 23 per cent growth in share capital during 1971-75. That would be about on target.

Progress is not going to get any easier for another reason: the foreign share *of* local corporate assets has fallen steeply since 1971—from 61 per cent to 46 per cent. But the biggest gain has been made not by the Bumiputras but by other Malaysians whose stake has risen from 34 per cent to 43 per cent—already higher than the *40* per cent *this group is* supposed to own by 1990.

It is a relatively easy and uncontroversial process to *acquire assets from foreigners;* much more difficult would be large-scale acquisition by Malays from non-Malays. That *will be unavoidable if the* corporate cake does not grow very much faster than it has been growing.

One consequence could be a new push to create state-owned capital-intensive industries, such as steel, which would be funded by the government partly through Bumiputra institutions so that their share capital would count towards the Bumiputra ownership total.

Another, and easier, tactic for getting to the 30 per cent by 1990 would be to re-define the hundreds of thousands of acres of land being bought by settlers on Federal Agricultural Development Authority (FELDA) schemes as part of the corporate sector. A first step in this direction might be to allow commercial bank financing of FELDA schemes. Such a transfer of FELDA land *ownership to the corporate sec*tor would better reflect the Malays' actual participation in the modern economy as opposed to their participation in the narrowly defined corporate sector.

Meanwhile, in the non-corporate modern sector, the Malays *clearly have* been making very much greater progress. This is especially the case in the small business sector, which is absolutely critical if trading and capitalistic concepts are to take root among the Malays and eventually allow them to compete on equal terms with the Chinese.

Unfortunately little data is available other than from *banks. The Malays' share of* outstanding bank credit rose from 12 per cent at the end of 1975 to almost 16 per cent in 1978. The Bumiputras also got 21 per cent of the increase in credit during the 18 months to mid-1978. Both figures were ahead of the guidelines set by *the Bank Negara, suggesting* that the banks have not been having any particular trouble finding credit-worthy Bumiputra individuals and businesses.

The Bumiputra share of finance company credit was larger than for the banks. Though loans to Bumiputras appear to be concentrated on housing and personal loans there is no doubt that loans to *small to medium-sized commer*cial and industrial enterprises has also grown.

Loan finance has a larger multiplier effect on Bumiputra participation in the modern sector than does equity capital. Improved Malay participation in the modern, urban economy *is also shown by income and* employment figures.

Malays are moving into urban areas in increasingly large numbers. By 1980 it is now estimated that Malays will constitute one-third of urban dwellers compared with 29 per cent in 1975 and a very much lower figure a decade ago. Meanwhile, the overall urban population is growing at 4.4 per cent compared with 2.6 per cent *for the whole country.*

Malay progress in the economy is also indicated by their participation in various kinds of employment. Between 1975 and 1978 their share of professional and technical jobs rose from 46 per cent to 53 per cent; of administrative and managerial jobs from 27 to 32 per cent; and of sales workers from 23 to 28 per cent. Indeed, their share of all categories except agricultural workers increased markedly.

Clearly these moves into the urban economy have had considerable economic benefits, but it is not clear whether or not the move has led to more equal income distribution—which is one of the key objects of the National Economic Plan which assumes a direct link between race and class.

Another set of figures shows that the average incomes of the bottom 40 per cent of households grew at an annual average 10.5 per cent in current prices during 1971-76. That is only a little ahead of inflation and way behind the increase in nominal GNP. From these figures, the rich-poor gap therefore would seem to be widening, which must be to the disadvantage of the Malays who make up the majority of the bottom 40 per *cent.*

What is probably happening in fact is that the Malays who are receiving education and becoming urbanised are doing very much better than before, receiving and seizing opportunities for economic equality. But the rural majority, particularly in areas where Malays form the vast majority of the population, is falling rapidly behind the urban community, Malay and non-Malay.

This theory is given weight by the fact that regional income disparities have continued to grow. Strongly Malay rural states such as Kedah and Kelantan have fared especially badly and new efforts are now to be made to help them. Success will not be easy.

P.B.

Manufacturing

Restrictions in export markets

MALAYSIA'S manufacturing industries continue to keep up their impressive growth of recent years. But maintaining the momentum is becoming more difficult each year as *manufacturers* encounter increasing restrictions abroad.

Manufacturing now accounts *for more than 19 per cent of* the Gross Domestic Product (12 per cent in 1970) and more than 580,000 people, or 13 per *cent of the workforce* are in this sector.

Its growth is crucial to the success of the Government's new economic policy. Manufacturing is expected to be the fastest-growing area in the economy so that, by 1990, it is *likely* to account for at least 26 per cent of the GDP, and give employment to the greatest number of Malaysians.

Currently, the Government is placing stress on foreign investment. Under the Third Malaysia Plan, the inflow of foreign investment was targeted at 3,650m ringgits (£820m), but this has been revised upwards to R6,669m.

This is partly because local private investment has fallen very short of target for the past four years. The Government hoped the influx of foreign capital and expertise would act as a catalyst.

Viewed in this context, the current investment promotion mission to Manchester, Munich and Milan, led by *Dr. Mahathir,* Deputy Prime Minister and the country's economic leader, assumes added significance.

Dr. Mahathir led similar missions last year to Europe, the United States and Japan, and plans to carry out one or *two more this year.* In his view, manufacturing is an area of which Malaysian businessmen, traditionally confined to trade, construction and plantations, have little knowledge, particularly on overseas markets.

He feels that if foreign entrepreneurs were to come in with projects and an assured market, there would be no lack of local businessmen willing to come forward as partners.

There are encouraging signs that the local businessmen are putting money into manufacturing again. Bank loans for manufacturing have risen, imports of investment goods went up 18 per cent last year, and many existing factories are taking advantage of the attractive, accelerated depreciation allowance to modernise and expand their plant.

In its survey last December, the Central Bank found that 38 per cent of the companies interviewed were operating at 51 to 80 per cent capacity (52 per cent in 1977) while 58 per cent were *running* at 81 to 100 per cent capacity (43 per cent in 1977).

Approvals for projects have *increased. Last year,* 428 projects with a total investment of 1,120m ringgits were approved, compared with 400 projects with potential investments of R880m in 1977.

Sweeping

The government now admits that the *sweeping* industrial laws passed in 1975 had created uncertainties among investors, and has taken steps to undo the harm. It now seeks to reassure local businessmen, particularly the Chinese, that it intends to be flexible with its powers, and has agreed to set up a board of appeal for licences rejected under the controversial Industrial Co-ordination Act.

To reduce red tape, a central unit was set up at the Malaysian Industrial Development Authority last year to handle all inquiries from prospective *manufacturers.* By and large, the unit has succeeded in *cutting bureaucratic delays* that used to exhaust the enthusiasm of many a potential investor about Malaysia.

After a slowdown in 1977, the manufacturing sector grew by 14 per cent last year, in response to strong domestic and overseas demand.

So far, Malaysia has done commendably well in finding markets for its manufactured products overseas. Last year, exports of manufactured goods rose by 36 per cent to 3,600m ringgits. In 1975, exports of these goods amounted to 2,000m *ringgits.*

But there are ominous signs on the horizon. Industrialised countries can be expected to be more restrictive towards manufactured goods from the newly-industrialising countries.

Malaysian manufacturers could be hard hit by this trend, as they are still not as aggressive and organised as their rivals in Hong Kong, South Korea, Taiwan and Singapore. Malaysia's industrial base is still weak and thinly based, with most of the *factories producing mainly for* the domestic market.

While export figures are impressive, closer examination shows that the electronic factories in the free trade zones *—assembling electronic* component parts such as semi-conductors and integrated circuits—and textiles account for 60 per *cent of total exports of* manufactured goods.

These two industries are in Malaysia because there is plenty *of cheap female labour,* and they are very vulnerable to shifts in world demand and quotas. Textile exports are not *expected to grow as rapidly as* before because of restrictions in the EEC, the U.S., Canada, Australia and Japan.

Australia is probably the most restrictive market as far as Malaysian goods are concerned. Strict quotas and duties *are imposed on* Malaysian wood products, textiles, footwear, electrical, engineering and rubber goods.

Canned pineapples face quotas and restrictions in the U.S. and Japan, with Japan having a policy of discouraging the import of *processed* and semi-processed products.

"This leaves the general feeling that the developed countries *survive on past glories,* and do not wish to see new nations, historically producers of raw materials, change their role to producers of manufactured goods," a senior Malaysian trade *official laments.*

Because of the availability of cheap energy in East Malaysia, several major industrial projects are being planned in Sabah and Sarawak.

Work on the $1bn natural liquid gas project is going full steam ahead at Bintulu, Sarawak, and work on a $750m aluminium smelter is to start at the end of the year at Labuan, Sabah, *using gas from* the nearby oilfields. The smelter, which has a capacity of between 400,000 and 500,000 tonnes, is a *joint venture* between *French,* South Korean and Malaysian interests.

The giant American aluminium company, Reynolds, has also signed a letter of intent with the Sarawak government to build a similar size smelter at Bintulu—*if it could* be guaranteed cheap energy.

And, finally, the federal government is keen to build a $1.6bn steel plant at Bintulu (a study by an Austrian company has confirmed its viability) and preliminary discussions with prospective *foreign* partners have begun.

Wong Sulong

MALAYSIA VI

Rubber

A growing confidence

THE RUBBER tree, a native of Brazil, has flourished in Malaysia for 101 years. Since the turn of the century, it has been the main prop of the economy and will remain so for many years to come.

As *Hevea Brasiliensis* enters its second century in South-East Asia, there is considerable debate about its future.

Natural rubber is not being threatened. Far from it. With oil prices spiralling, synthetic rubber, which presented so serious a challenge to natural rubber (NR) in the 1960s and early 1970s, has lost its sting.

Rather, the problem facing Malaysia, as the world's biggest NR producer (43 per cent), is how to ensure sufficient supplies to meet growing world demand for elastomers.

"If we don't increase output, we might lose out by default," commented Mr. Paul Leong, the Minister for Primary Industries. "Once natural rubber consumers restructure their plants to use 'synthetic', then it's very difficult for us to regain lost ground."

Mr. Leong put the supply problem in the statistical terms: natural rubber now accounts for 31 per cent of the elastomer market of 12.4m tonnes. Various studies have shown that demand for rubber will rise by 5 to 6 per cent a year to reach 24m tonnes in 1990.

Based on a 31 per cent share of the market, the supply of NR should be 7.44m tonnes in 1990.

But NR output in the past 15 years had grown by 3.8 per cent a year, and based on this rate, NR's production in 1990 would only be 6m tonnes, or only 25 per cent of the projected market.

Considering the defensive position of synthetic rubber in the coming years, NR can even increase its share of the market to as much as 42 per cent—if supplies are available.

Over the years, the acreage under rubber has been gradually scaled down. Shaken by the threat from "synthetic" and encouraged by better returns from palm oil, Malaysian plantations have moved rapidly to the latter crop.

Most plantations now have a higher palm oil acreage over rubber. In 1967, rubber in the plantations covered 1,836,000 acres. Last year, this was down to 1,366,000 acres.

This decline in acreage in the estate sector was partly made back by the increase in the smallholders' sector, particularly from land schemes opened by the Government. Rubber under smallholders last year increased by 45,000 acres to 3,576,000 acres.

Malaysia's rubber production for the past few years had remained stagnant, partly because of drought and the run-down in the estates.

Last year's rubber output was 1,605,000 tonnes, which was 0.5 per cent lower than in 1977 and 2.3 per cent lower than in 1976.

Better

Rubber prices have by no means done badly. From an average of 139 Malaysian cents per kilo in 1975, it has risen steadily to 217 cents last year, and is now above 270 cents.

However, oil palm and cocoa provides a much better return. Plantation statistics from Kuala Lumpur Kepong, the fourth biggest plantation group, is probably illustrative of this picture. For the past five years, KLK could make a profit of 588 ringgits per year from a hectare of mature rubber, while it could make 1,818 ringgits from palm oil.

In the case of cocoa, the return is five or six times better than rubber.

Obviously, with this sort of profit margin, the estates are not going to move back to rubber, unless there is strong financial incentive or Government pressure.

Even Government agencies face this problem as prospective settlers prefer to join their palm oil rather than the rubber schemes.

The Rubber Producers' Council has sent a memorandum to the Government urging it to restructure the rubber taxes to encourage more planting of the crop.

The tax on rubber exports is imposed on a progressive scale beginning when the price is 50 cents per pound. When the price is above 110 cents, the tax takes away 0.6 cents for every increase of 1 cent.

Rubber producers say since production cost is above 50 cents per pound, the duty should begin at 60 cents. The tax should also be scaled down so that the maximum marginal duty payable should not exceed 50 per cent.

Apart from expanding the acreage, there are two ways rubber production could be increased: by replanting and chemical stimulation. Both these methods are already practised extensively by the estates.

The bulk of the smallholders have also replanted their trees, although not many of them use chemical stimulation to boost output for fear of damaging the productive life of the trees.

But one fact is certain—while Malaysia wants to increase production to take advantage of favourable prices and demand, it is not going to produce so much rubber to bring prices down.

There was a ripple of concern among Malaysian planters when it was announced that the United States would speed up its research on the viability of guayule, a desert shrub, as an alternative source of natural rubber.

Guayule can be grown on large parts of Arizona, New Mexico and Mexico — not to mention other arid lands—but the rubber produced appeared to have qualities that will make it competitive to synthetic rubber rather than natural rubber. It is still many years before guayule can make an impact on the world scene, even if its viability is proven.

The Malaysian rubber industry therefore is entering its second century with a new confidence, thanks to the increases in oil prices.

This confidence is best illustrated by the following events. In late 1974, severely depressed rubber prices sparked off widespread demonstrations in Malaysia by farmers and students.

The authorities launched a national crash programme, cutting production on estates and buying in the market, and succeeded in bringing prices to more tolerable levels.

Malaysia, therefore, with its four ASEAN partners, then turned their attention to the expansion of synthetic rubber by Japan and pushed for an international price stabilisation agreement.

After much cajoling, the ASEAN countries urged Japan to talk about slowing down their "synthetic" expansion, and extracted some money to build a rubber tyre laboratory outside Kuala Lumpur.

After a couple of meetings, little has been heard about the ASEAN-Japan forum on synthetic rubber.

Malaysia is playing a major role in producing an international rubber agreement, but the urgency has gone. Producing and consuming countries recently met in Geneva, and agreed on the major features of an international price stabilisation pact.

The pact envisages a 400,000-tonne rubber buffer stockpile with another 150,000 for contingencies. It would operate very much like the international tin bufferstock.

Prices are now higher than the 270 cents per kilo, fixed as the ceiling price under the agreement. The producing countries can now afford to take a harder stand in the discussions . . . "There is plenty of time on our hands," says a senior Malaysian negotiator.

W.S.

Agriculture

New policy needed

AFTER 21 years of independence, Malaysia is getting down to formulating a national agriculture policy. Up to now, the authorities have tackled agricultural problems largely on a crop by crop basis, without the benefit of an overall view of the agriculture sector.

The country has moved rapidly away from an over-dependence on agriculture, but even now it is by far the most important sector in the economy. It accounts for 25 per cent of the gross domestic product and 44 per cent of employment. It is also the sector with the highest incidence of poverty.

The committee set up under Dr. Mahathir, the Deputy Prime Minister, to draw up the national agriculture policy has been charged with finding ways of improving Malaysia's leading position as a primary commodity producer, while ensuring that the countryside remains a bulwark of social and political stability.

In arriving at their recommendations, the committee has to consider the following points:

(1) Good agricultural land is becoming scarce in peninsula Malaysia. Development costs will rise appreciably if marginal land is opened up.

(2) The practice of settling farmers on Government land schemes, while enormously popular and successful, is now considered to be somewhat "extravagant." The current rubber and palm oil schemes require 8-10 acres for each family, while less land is required for viability if crops such as cocoa and tea are cultivated.

(3) There is plenty of good agriculture land in sparsely populated East Malaysia, but no large-scale migration from West Malaysia is possible under the present political set-up.

(4) Despite vast amounts of money spent on irrigation schemes, and subsidies, the rice farmers are still among the poorest in the country. Experts disagree on how to improve their living standards.

(5) The area under rubber continues to fall at a time when long-term prospects for rubber have never been so good. The Government fears that unless natural rubber producers increase their output, they will lose out to synthetic merely by default.

Between 1970 and 1975, the Government opened up 1m acres of jungle for agriculture. Another million acres are being developed under the third Malaysia Plan. It is estimated there are still 4m acres suitable for agriculture in peninsular Malaysia, enough for another four five-year plans.

But most economists consider that the Government will find difficulty in getting enough land in large blocks for development after 1990. "Most states in peninsular Malaysia are no longer giving land to private companies for agriculture," says Tan Sri Kadir, the Minister of Land and Regional Development. There are two exceptions to the above policy. Private companies can still get large areas for estates if they go into partnership with Government agencies in the regional development areas, such as Pahang Tenggara, Johore Tenggara, South Kelantan and Trengganu Tengah. Also in Sabah, the state is giving land to private companies and individuals on the understanding that after 20 years or so the project will revert to the state.

Private companies in joint ventures in the regional areas are required to plant part of the land with less profitable crops. In this way, the Government ensures diversification without losses to itself.

For example, the Lam Soon Group has been given 6,000 acres in Pahang Tenggara. It is allowed to plant 3,000 acres under cocoa (a profitable crop), but has to plant the rest with orchards, something which is not being done on such a large scale.

Experimenting

Government land agencies are experimenting with new crops that require less land for a settler to make a living. Cocoa appears to bethe best bet, but good results have also been shown by tea, coffee, and sugar cane. Vegetable gardening also has considerable potential if properly organised. All these crops require much less land than rubber or palm oil for a viable family farm.

As a group, the 1m people who depend on rice, face a bleak future. Unlike the rubber and palm oil smallholders, whose productivity, while low by plantation standards, is still relatively high by world standards, the padi farmers in Malaysia are high cost producers compared with their Asian counterparts.

The drought of the past two years has hit them hard. Rubber and palm oil growers suffered lower losses, and they were more than compensated by high prices. But there was little compensation for the padi farmers. In the Muda area, the ricebowl of Malaysia, last year's off-season crop was lost, necessitating a 100 per cent increase in rice imports of 500,000 tonnes. Three out of every four padi farmers live in poverty, compared with one out of two rubber smallholders, and one out of every 20 palm oil growers.

There are many, among them economists and politicians, who argue that the Government's irrigation projects and the guaranteed minimum price for padi only serve to enslave farmers in an uneconomic occupation. They argue there is no way that poverty among padi farmers can be reduced unless a major land reform is instituted.

But the Government does not see the need for this. "There is a lot of misunderstanding about the absentee landlords. We do not have a situation as in other countries where a small number of families own thousands of acres," says Tan Sri Kadir. "In the Muda area, the so-called wealthy landlords own less than 50 acres and very seldom do you find one with more than 200 acres.

Now what sort of land reform can we have?" he asks. He admits that alleviating poverty among rice farmers is extremely difficult. The authorities are encouraging them to grow minor cash crops, poultry and fish to improve their income. At the same time, the Government is siphoning off the excess labour from the rice fields to the cities, and its rubber and palm oil schemes.

There are also plans to open new rice areas in Pahang and Sarawak, but production costs will be high unless mechanisation is used. The proposed national agriculture policy will have to answer these questions.

W.S.

Plantations

Difficulties in 'restructuring' estates

THE RECENT unsuccessful bid by Sime Darby Holdings for control of Guthrie Corporation showed that many British investors had come to realise—perhaps belatedly—that the "Malaysianisation" aims of the Government constituted more of an opportunity than a threat.

In the Guthrie case, shareholders held out for the highest possible price recognising two factors: the determination of the Malaysians to maintain a fast pace of Malaysianisation while not acting in any way to short-cut market forces or lay themselves open to charges of "backdoor nationalisation." And the diminishing volume of plantation company shares remaining in private hands, at a time when estate profits are strong and the downside potential of prices, especially of rubber, look small.

The drive to Malaysianisation has been accelerated by the slow growth of the private sector in Malaysia, which has reduced opportunities for Bumiputras to acquire new shares—and by the buoyant prices for commodities which have made both the Government and the private sector flush with funds.

In the early days of the new economic policy, the foreign plantation companies rested complacent in the belief that they had till 1990 to achieve restructuring and the assurance that "the restructuring process will be undertaken through growth," not through foreign disinvestment.

However, what the Malaysians saw as general goals were often seen by the foreigners as specifics applying to each and every case.

For the Malaysian Government, the plantations were clearly a case for faster-than-average restructuring, for a variety of reasons. Firstly, they were the most visible sign of foreign ownership of that most sensitive of subjects—land. To British investors, names such as Guthrie and Harrisons may appear medium-sized entries in the Stock Exchange official list—profitable, but vaguely risky "far eastern" enterprises.

But a tourist who drove the 300 miles from Singapore to Kuala Lumpur would likely conclude that the land through which he passed was divided between the great clans Guthrie, Sime Darby, Harrisons and Dunlop, rather than between the States of Johore, Alacca, Negri Sembilan and Selangor.

The plantation company names are, literally, part of the landscape. The estates were also an obvious target because most were "companies" either on the Kuala Lumpur or London Exchanges, or both. Thus, shares could be bought on the open market and board control could in some cases change hands with relatively little change in ownership. In other words, money and market forces could be brought to bear.

Finally, though the plantation companies have continued to be, by and large, excellently managed and have been in the forefront of research into new varieties and techniques they did not fall into the category of new technology companies that Malaysia aims to attract.

The plantation companies have never elicited a vast amount of sympathy from other foreign investors in Malaysia.

Problems

Unfortunately for the existing managements of the plantation groups, they have mostly been unable to move towards restructuring through expansion and new issues, rather than direct acquisition of existing shares.

Except in a few rare cases where there are chances of joint ventures with Stato Development Corporations, no new land for plantations has been available to enable the companies to expand.

The only exception has been Kulim. It transferred its domicile to Malaysia in 1976 at the same time issuing new shares to the Johore State Economic Development Corporation, giving the State effective control, in exchange for oil palm acreage. But this route has not been available to bigger groups.

No two cases among the plantation groups are identical. Group structure, ownership patterns, places of incorporation, Board attitudes—all have differed widely. For the Malaysians there have been three interlinked objectives: legal control—to move incorporation and, where appropriate, share listings from the UK to Malaysia.

Transfer of incorporation has been particularly important for companies which have not been quoted on the KL Exchange and therefore have not needed to submit to Malaysian Capital Issues Committee approval for share issues—issues aimed at enlarging non-Malaysian interests and thereby aiming to ward off a takeover.

Guthrie's expansion into non-plantation interests outside South East Asia could be seen as just such an attempt. But it worked two ways. It created a bigger and more highly geared company which only Sime Darby was capable of attempting to swallow. But Guthrie's lack of success with the diversification depressed earnings and the share price.

The second Malaysian objective is board control, of which the battle two and half years ago for control of Sime Darby was the most notable example.

That battle demonstrated the strength of Malaysian institutional shareholders, led by Pernas, in a situation of otherwise widely spread share ownership. It would be unfair and inaccurate now to dub Sime as a creature of Pernas and hence of the Government. But there is no question that Sime sees itself as Malaysia's standard bearer in the multinational big business world.

In fact, Sime is not the biggest plantation-owner in terms of acreage. Its estates, held through quoted subsidiaries Consolidated Plantations and Kempas, total only 170,000 acres, compared with Guthrie's 186,000.

But clearly the failure of its bid for Guthrie has not killed its desire to be the largest plantation group, perhaps aiming for as large a role in rubber and palm oil production as Malaysian Mining Corporation (owned by Pernas and Charter Consolidated) has, in Malaysian tin production. Even after the failure of the Guthrie bid, Sime is left with 30 per cent of the British company.

It already also has strategic stakes in two other estate companies, Highlands and Lowlands and Chersonese.

The third Malaysian Government aim is acquisition of shares, particularly by Malays. This can be achieved either by direct purchase—as by Pernas of Sime Darby—or through share issues made to Malays, often in the course of transfer of domicile. By and large, it has not progressed very far, but once Malaysian domicile and board control have been established, share acquisitions can be made on a gradual basis.

The process of restructuring has been greatly assisted by the more liberal attitude taken since 1975 by the British Government to the transfer of domicile. Essentially, no problems are encountered with companies where management control is excercised abroad and the bulk of whose assets are abroad.

Transfer of domicile almost invariably assists Malaysianisation because of the capital gain accruing to British shareholders through realisation of the investment currency premium on sale, following transfer. This selling has often enabled Malaysian institutions and companies to build up strategic stakes in the plantation companies. Nor are these stakes necessarily acquired by Bumiputra institutions.

Non-Malay companies have also been very active buyers. Indeed, the first big group to pass from British to Malaysian ownership was carried out by leading Malaysian Chinese businessman, Lee Loy Seng, when he acquired control of Kuala Lumpur Kepong, in 1971.

More recently, the Genting Highlands Group was involved in an abortive raid on Golden Hope, the jewel in Harrisons and Crosfield group.

The recent history of Harrisons provides plenty of evidence that the foreign managements can fight off attempts to unseat them. Harrisons was persistently harried by companies such as Genting, sniping at its minority but effectively controlling interest in plantation companies which it managed.

It also had its Malaysianisation scheme effectively rebuffed by the Government. For a while it looked a likely target for a bid from Sime. But Harrisons counter-attacked. It united its 165,000 acres of estates into one company, Harrisons Malaysian Estates, and then successfully bid for HME. It now holds an impregnable 80 per cent.

Harrisons still has to start on the path of Malaysianisation. But with Harrisons, as with Guthrie, anyone wanting to gain control of the Malaysian assets must grapple for control of the UK parent. The price is now high. Indeed, the Guthrie and Harrison's episodes suggest that gradual acquisition of stakes through the market may be a more effective Malaysianisation route than direct confrontation.

P.B.

Palm oil

Need to find new markets

MALAYSIAN authorities are giving priority to a Palm Oil Exchange and hope that legislation to establish such an exchange in Kuala Lumpur will go before Parliament by the end of the year.

As the biggest producer, accounting for over 60 per cent of the world's export trade in palm oil, it is natural that Malaysia should want to develop a terminal market for the commodity.

The setting up of the Exchange can be seen as the last leg of the Government's exercise in establishing a complete package for the industry, from planting and production of the crop, through refining and manufacture of palm oil-based products to the sale of these products on a terminal market in the country.

Until five years ago, the emphasis was on planting and exporting crude palm oil. The Government itself was involved in massive planting of the crop, but apart from this, and the collection of export duty, there was very little involvement on its part in organising and managing the industry.

All this is changing. The industry has grown too big to be left alone. Threats by the U.S. authorities on quotas and tariffs on palm oil have brought home the need to find new markets. There is also some anxiety about oversupply in the edible oils and fats market and depressed prices, and this has been translated into fears in some quarters that the palm oil industry has expanded too rapidly.

A Palm Oil Research Institute was set up last year to improve the quality of oil, establish Malaysian standards and find more end uses. This was followed by the setting up of the Palm Oil Registration and Licensing Authority (PORLA) to keep tap of what is going on in the industry. There are also tough environmental laws, requiring palm oil mills to cut down their effluent discharge to a minimum within three years.

The Government is currently studying recommendations submitted by the International Commodity Clearing House on the setting up of the Exchange. Most probably, a company would be set up to provide the clearing and guarantee services, and a management contract whereby ICCH would provide the necessary management and secretarial functions is being considered. It has been proposed that the Exchange should be a self-regulatory, private sector body, with status similar to the Kuala Lumpur Stock Exchange.

Traders feel that timing will be very important to the launching of the Exchange in Kuala Lumpur. If the price of palm oil is high compared with other oils and fats at the time the Exchange is opened, it is likely to get off to a poor start, from which it would be difficult to recover. On the other hand if the price appears to be low, the chances are that there will be good buying support and sufficient turnover to get the new market off to a good start.

Phenomenal

The terminal market would be most welcomed by Malaysian palm oil millers and refiners, who are having difficulties in getting sufficient crude oil from growers. The growth of the local refining capacity in recent years can only be described as phenomenal. Because of a stiff Government tax on the export of crude palm oil, many plants have been set up to refine oil domestically. In 1971, only 17,000 tonnes of oil were refined locally, but today the 30 refineries turn out just over 1m tonnes of refined oil and related products, equivalent to 55 per cent of the country's total palm oil output.

This growth has created a situation where millers and refiners, particularly those without their own estates, have to hunt around for fresh fruits and crude oil to feed their plants. At times, the local refiners have to pay a R200 premium per tonne of crude oil, and this has led them to accuse growers of favouring the overseas buyers. Crude oil was in particularly short supply in the early part of last year because of the drought, which slashed production.

An agreement was reached last October between local refiners and growers, whereby the growers would make available supplies to refiners on a cif (cost, insurance and freight) countback formula. Under this formula, local prices are related to cif prices reigning on world markets, with set deductions to take into account the fact that the oil is not shipped. This is a temporary measure and the establishment of a Palm Oil Exchange would enable refiners and millers to get their supplies or hedge their sales at prevailing market prices.

Earlier this month, the Government announced it has frozen the issue of licences for palm oil refineries. Apart from the 30 refineries in operation, licences have been given to another 30 plants. These 60 refineries have a total capacity of 2.3m tonnes a year, and the Palm Oil Refiners Association (PORAM) is concerned that the supply situation might get worse, especially when plantation companies move into the refining business themselves.

There is a danger of consumer countries imposing restrictions on Malaysian refined palm oil. To overcome this, and to penetrate new markets, the Malaysian authorities are thinking of building refineries overseas. One offer was made recently to China and Egypt, which currently do not buy very much palm oil, but which are potentially very large markets. The large importers of Malaysian palm oil are the EEC, the U.S., Japan, India and Pakistan.

W.S.

Tin

Output increased

THERE ARE now growing grounds for optimism that Malaysia, the world's biggest tin producer, has finally reversed its trend of declining output.

Buoyed by high prices for the past three years, and by an awareness of the industry's problems by the Federal and State Governments, Malaysia miners are expanding output.

A trickle of new investments has begun flowing back into the mines and this augurs well for the industry that has been stagnant for some years because of uncertainties arising from the new economic policy and the political and bureaucratic tangles in the states.

The atmosphere is now clearer. The recent agreements between private mining companies and Kumpulan Perangsang Selangor (KPS), the mining arm of the Selangor Government, marked a significant departure from the inflexible position the state authorities had taken a year ago.

Last year, the Selangor Government dropped a bombshell on the industry when it announced new guidelines for mining companies. Mining leases of foreign companies are to be reverted to KPS on expiry and companies affected have to start discussions to allow the state agency a share in the venture.

For new mining land, KPS wants at least 70 per cent of the equity. The aim behind these moves was to assert state control over a depleting resource and to get more revenue.

Mining companies appreciate that the state governments are getting only a fraction of the tin taxes, but feel they should have talked with the Federal Treasury instead of taking a hit at the industry which is already heavily taxed.

A test case was quick to emerge when the leases of Berjuntai, the most productive company under the Malaysian Mining Corporation's stable, expired.

KPS allowed Berjuntai to continue mining, subject to a final agreement, on condition it paid a 10 per cent tribute.

MMC is 71 per cent owned by the Pernas organisation, a Federal Government agency and 29 per cent by Charter Consolidated. Its operating companies produce 22 per cent of the country's tin.

During negotiations, much bad blood was shed over the question whether Berjuntai should be classified as a foreign company, since it could be argued both ways that Berjuntai was majority foreign or local-owned. The clash of personalities in KPS and MMC did not help.

Compromise

The end result was compromise. Berjuntai won back its leases, without paying tribute. In turn, it agreed to form a joint venture company with KPS holding 70 per cent share, to prospect 2,000 acres adjacent to the Berjuntai leases. If the results confirm viable deposits, Berjuntai will build a dredge and lease it out to the joint company.

In the case of Pacific Tin the leases of the American company were transferred to a joint company, which also acquired 220 acres of new mining land from KPS. The venture is split 10 per cent in favour of KPS, plus 10 per cent in tribute.

The third agreement was with Brooklands Estate, allowing KPS to acquire 4,200 acres of the estate in the Kuala Langat district which has some of the richest known tin deposits.

This agreement ties in with discussions with Charter Consolidated, to exploit the area.

The story of the Kuala Langat tin has been a long drawn-out and frustrating affair for Charter, which at one stage (during the changeover of the Selangor Government) was told that its earlier agreement to prospect and develop the area was no longer valid.

KPS has since changed its mind and an agreement with Charter to develop tin found on Brooklands should be signed soon.

The outline of the deal is for Charter to hold 30 per cent in the venture—and on a very much reduced mining area. This is a hard bargain by KPS, but considering the size of the deposits and the number of anxious bidders, Charter has to be content if it is chosen as the partner.

The area under the proposed deal covers around 5,000 acres and is believed to contain between 250,000 and 300,000 tonnes of tin. It would be able to keep three giant dredges busy for at least 20 years.

The deposits are deep—around 300 feet down—and extensive engineering tests have to be done to determine the soil stability before the parties know the best way to develop the area.

But there are compensations: the bedrock is flat which means almost all the reserves are recoverable. The land would be acquired on a piecemeal basis as and when it is required for mining. This frees a large amount of cash.

Roughly, it would cost ringitts 200m to develop the field, and it would be the biggest investment in the tin industry for years.

It is the intention of Charter to hand over its interest in the deal to MMC "at a fair price," but serious discussions on this have not begun.

Foreign companies had hoped that the Berjuntai case would set the pattern, and solve the problem of renewal of leases, but the recent rejection of lease renewal for Ayer Hitam (another of MMC's companies) indicate that KPS views each company differently, depending on productivity and size of operations.

"We want to make the point that expired leases are not automatically renewed," says a KPS official.

There is a fear that another mining state—Perak—might follow Selangor's example, but so far it had not done so.

Perak has traditionally been under strong Federal influence and the Chief Minister there is not under so much pressure as his colleague in Selangor to prove he is tough and able to stand up against big business.

Despite a more flexible attitude by the Federal and State Governments, miners are still faced with very trying problems. Land and mining laws are extremely complicated. Renewal of leases still take a long time and new mining land hard to come by.

Priorities

Rahim Aki, Chief Executive of MMC, feels the states should give priority to sort out the industry's land problems. Very often, a company operates on a number of leases each with a different expiry date. He feels these leases should be amalgamated and given a single expiry date.

Another way to cut red tape is to transfer administration of mining land from the land offices (notorious for its red tape) to the Mining Department.

Equally wrrying are the rising fuel costs. This alone would have closed quite a large number of marginal gravel pump mines had tin prices been less buoyant.

Malaysia's tin production in 1977 was 58,700 tonnes, the lowest in 16 years. Prices, which had been on the rise since 1976, climbed higher during 1978 and averaged R1,743 per pikul, compared with R1,389 in 1977.

In response output rose by 6.7 per cent to 62,650 tonnes, prices this year have hit the R2,000 mark, and if they hold for the rest of the year, production could reach 70,000 tonnes.

As the world's biggest exporter, Malaysia naturally opposes congressional bills to release 35,000 tonnes of tin from the U.S. stockpile. But it leaves the Bolivians the role of the vocal critic of the U.S., preferring a more moderate line of urging for orderly releases so that they would not disrupt the market.

Malaysia and Bolivia are moving closer because of tin. A Bolivian embassy was set up in Kuala Lumpur, two years ago. Earlier this month, the Bolivian Mines Minister became the first minister from his country to visit Malaysia. There are also discussions which could lead to Malaysian companies investing in mining ventures in the Latin American state.

W.S.

Education

A divisive issue

EDUCATION IS the most divisive political issue in Malaysia, according to Mr. Lim Kit Siang, the leader of the Chinese-based opposition Democratic Action Party. A brief glance at the mid-term review of the third five-year plan shows why.

In 1975 Chinese students held 36 per cent of the 15,008 places in degree courses at local universities, while Malays held 57 per cent. As a result of the Government's determination to increase educational opportunities for Malays, by 1978 the Chinese proportion of places had dropped to 29 per cent of an increased enrolment in university courses of 18,064, while the Malay proportion had risen to 64 per cent. In absolute terms the numbers of Chinese at universities in Malaysia over the four years had actually dropped, though only marginally.

The Chinese community use these statistics as evidence that under the New Economic Policy the opportunities for their children to obtain higher education are diminishing. For Malays the figures are also a source of grievance in that many Malays who achieve the minimal entrance qualifications to university are still being turned away because of a shortage of places. The more militant among them want a still smaller proportion of places to go to the Chinese, although the Government has indicated that the Chinese will in fact be given a slightly larger share.

Expansion

The statistics for enrolment in domestic universities, however, do not tell the whole story. Since 1975 the Tunku Abdul Rahman College—which offers diploma courses but also prepares students to take external degrees at foreign universities—has more than doubled in size to 1,913 places and is still expanding. About 90 per cent of the students are Chinese.

Also about two-thirds of the 17,513 Malaysian students doing degree courses abroad are Chinese, while only 22 per cent are Malay. Thus Malays feel that the Chinese have more than offset the limitations on entrance to them in domestic universities. The Chinese complain that the increasing emphasis on Bahasa Malaysia—the Malay language—as the main medium of instruction in primary and secondary education means that the standard of English taught in schools is declining, which makes it more difficult for their children to qualify for places abroad.

The Government's policy is to limit the expansion of university places on the grounds that there are insufficient jobs for graduates — especially arts graduates — and to expand more rapidly the number of vocational and technical schools to provide for a larger number of skilled but non-professional people. Inevitably in such a race-conscious society this is again a source of friction.

Rapid growth in the number of secondary school places—enrolment jumped by 23 per cent over the last four years—means that there will be increasing pressure from both communities to get places in institutes of higher education.

At the moment the attempt to adjust the communal balance by enroling more Malays in universities has resulted in a drop of standards in a number of institutions, especially in key faculties such as medicine and engineering. This is a price that the Government in the short run is prepared to pay. Potentially inflammatory is the danger of a double standard emerging in higher education between those taught abroad and those at home. The discrepancy is further sharpened by the increasing restrictions being placed on university life in Malaysia, so that lecturers have to be cautious in whom they see and what they say. As against this Malaysian students abroad are exposed to the full cacophony of free speech in most western universities.

The Government hopes that education—and in particular the teaching of Bahasa Malaysia as a national language—will promote racial harmony and provide a sense of a common culture. At the moment, with domestic universities contending with the rival pressures of Islamic revivalism and Chinese nationalism, this seems a long way off.

D.H.

COLLECTING

English furniture

BY JUNE FIELD

In the field of taste, whether social or aesthetical, it is always much easier to point out paths which should be avoided than to indicate the road which leads to excellence.
Charles L. Eastlake *Hints on Household Taste* 1878

THE LAST complete catalogue of a public collection of English furniture was Percy Macquoid's volume on the Lady Lever Art Gallery over 50 years ago. This makes the recent documentation of furniture in two country house museums, *Furniture at Temple Newsam House and Lotherton Hall*, all the more exciting.

The superb catalogue has been compiled by Christopher Gilbert, Principal Keeper of both houses, who has methodically assembled, over the past 12 years carefully researched captions to some 700 or so illustrations, identifying, where possible, the maker or designer and establishing the date and *provenance* of the pieces. Speculative attributions to particular firms have been avoided, and a determined effort made to trace the origin of each object through a relevant bill or inventory. (All this in addition to producing his other *tour-de-force* book of *The Life and Work of Thomas Chippendale*, published last year by Studio Vista in association with Christie's.)

Temple Newsam and Lotherton Hall both have a distinguished lineage, and 65p and 75p respectively, plus 15p for postage, sent to Christopher Gilbert, Principal Keeper, Temple Newsam House, Leeds, will bring you individual background booklets plus a free prospectus on the majestic two-volume main work, *Furniture at Temple Newsam House and Lotherton Hall*, which has already become an investment in itself. Pre-publication price was £39, the present price (including postage) is £48, and on June 1 it goes up to £60. The venture is sponsored jointly by the National Art-Collections Fund and the Leeds Art Collection Fund, profits from sales flowing back to the two art charities.

As Christopher Gilbert is the first to admit, the fact that a piece of furniture is discussed is no guarantee that it is of artistic importance, for the collection includes items that are not of the very highest quality. "However, a complete catalogue is infinitely preferable to an anthology of what the author regards as relevant, because anyone who is engrossed in a subject develops unconscious prejudices."

Attention is drawn to modifications and alterations. For instance, mid-18th century concertina-action card tables were always made with matching legs, but Edwardian dealers often cannibalised antique furniture to make up new stock. In the case of one card table in the collection, the original back legs were probably built into another table, and replaced by an incongruous set reproducing the style of an earlier period. An ornate settee (a bequest), is merely captioned: "The rather disjointed assembly of decorative elements strongly suggests this settee is a picturesque fake combining old components and new members."

This sort of down-to-earth comment makes the catalogue of immense value not only to professional art historians and students but to collectors and dealers. Part of the appeal too, is the eclectic variety of the items, which run from barometers to a zograscope, that practical 19th century optical device, for examining prints. (With the mirror correctly adjusted, a magnified reflection of an engraving could be viewed through the lens.)

And although the main strength and reputation of the collection is in 17th and 18th century furniture, which includes the fine neo-classical marquetry writing table from Harewood House, bought in 1965, and practically certain to have come from Thomas Chippendale's St. Martin's Lane workshops, there is also an impressive array of later pieces, for which many original references and illustrations have been traced.

The exceptional group of High Victorian furniture in the old English style, made in 1866 by John Marsh and Edward Jones of Leeds to the design of John Bevan, for Titus Salt Jnr., son of the wealthy Yorkshire mill owner, includes every item from the best bedroom, plus an ornately decorated grand piano, which was pictured in *The Building News*, 1867.

A Jackson and Graham armchair, c1878, in ebonised mahogany and pine is virtually identical to a woodcut in C. L. Eastlake's *Hints on Household Taste*, 4th ed., 1878, showing "how easily a few incised patterns and turned mouldings may be substituted for the lumpy carving and 'shaped' legs usually found in small furniture."

Papier-mâché dressing table, c.1851, part of a highly decorative 7-piece bedroom suite illustrated in the 2-volume work Furniture at Temple Newsam House and Lotherton Hall by Christopher Gilbert, £48 until June when the price goes up to £60. (Published jointly by the National Art-Collections Fund and Leeds Art Collections Fund, printed and distributed by Percy Lund Humphries.)

Not to everyone's taste perhaps is the *papier mâché* bedroom suite, c 1851 (Geoffrey Wills in his review of the catalogue in February's *Apollo* magazine, says it merits the epithet "staggering"), yet it is highly decorative, and its provenance makes fascinating reading.

Reputed to have been shown at the Great Exhibition, it was bought by Lady Parker of Waddington in the 1930s from an elderly lady living in Cornwall, and then sold in 1958 to Quality Wood Antiques, Ousden. They in turn sold it to Lord Walston of Newton Hall, Cambs, from where it was withdrawn at a Knight Frank and Rutley sale and bought in 1970. There are no maker's marks, but fragments of the *Birmingham Weekly*, dated between June and September, 1851, discovered beneath lining paper in the dressing table drawers provided a clue to its place of origin and date.

Footnote: At the enterprising exhibition cum-sale, "Collectors . . . the Museum, the Dealer—and You!" at Bristol City Art Gallery until May 5, promoted jointly by the Museum and The British Antique Dealers' Association, George Levy of Blairman's was showing (and selling), a Marsh and Jones table practically identical to the one in the Temple Newsam book.

CHESS

LEONARD BARDEN

SPECTATOR APPEAL is more likely when strong and well-known grandmasters meet local masters with a reputation to make: the GMs may take risks in going for the full point and this gives the home players chances for upsets.

The grandmasters of course win most of these games, and one of their trusted approaches is to play a slightly unusual opening aiming at a small space or development advantage. The GM reasons that a position where he has the edge and his opponent lacks counterplay will be decided by his superior ability and technique.

The two games this week are both examples of this pragmatic approach. Bent Larsen, the Danish world title candidate and recently winner of BBC 2's Master Game knock-out, is a Canary Island tax exile and did not compete in an individual tournament in his native Denmark from 1965 to 1978. It was psychologically important for Larsen in last year's North Sea Cup to prove that he was still better than the home-based Danish players, and his winning margin was a full two points.

White: B. Larsen (Denmark). Black: B. Brinck-Claussen (Denmark). Opening: French Defence (North Sea Cup 1978).

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-Q2, N-KB3; 4 P-K5, KN-Q2; 5 P-QB3, P-QB4; 6 P-KB4, N-QB3; 7 QN-B3, PxP; 8 NxP (out of the books; usual is 8 PxP), NxN; 9 PxN, N-N3 (Larsen recommends N-N1! regrouping the second knight at QB3); 10 N-B3, B-K2; 11 B-Q3, B-Q2; 12 0-0, P-KR4; 13 P-QN3, P-KN3; 14 B-Q2, K-B1; 15 P-QR4, K-N2; 16 P-N3, P-R4; 17 P-R3, N-B1; 18 Q-K1, Q-N3; 19 QR-N1, B-N5; 20 BxB, PxB; 21 Q-Q2, N-K2; 22 KR-B1.

At first sight White has only a small advantage, with more space and better bishop; but in fact he is already sure of a breakthrough by a standard king's side pawn advance or along the open QB file. Depth of strategic vision is one of the main differences between a grandmaster and an ordinary master.

22 . . . QR-QB1; 23 K-B2, Q-R4; 24 RxR, RxR; 25 P-N4, PxP (if R-KR1; 26 R-QB1); 26 PxP, R-B6; 27 P-B5! KPxP; 28 R-KR1, N-N1; 29 PxP, Q-N3; 30 P-B6 ch, K-B1; 31 R-R8, B-N5; 32 RxN ch, Resigns.

The second game is a similar case of an unusual opening leading to centre control and then to a winning attack; it helped Michael Stean to sixth place in a strong GM tournament.

White: M. F. Stean (England). Black: R. Filguth (Brazil). Opening: Queen's Indian (Sao Paulo 1979).

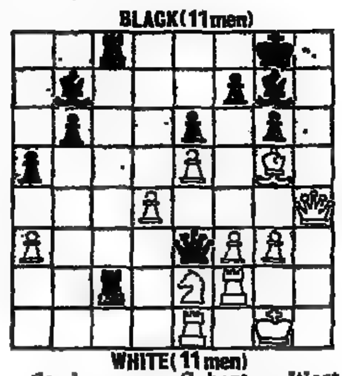
1 P-QB4, N-KB3; 2 N-QB3, P-K3; 3 N-B3, P-QN3; 4 P-K4, B-N2 (B-N5 is more active); 5 B-Q3, P-Q3; 6 B-B2, P-B4; 7 P-Q4, PxP; 8 NxP, B-K2; 9 O-O, O-O; 10 P-QN3, N-B3; 11 B-N2, Q-Q2; 12 NxN, BxN; 13 Q-Q3 (White has built up his opening on the simple classical theme of a bishop pair directed towards Black's king, and now threatens 14 N-Q5, PxN; 15 KPxP, B-N2; 16 BxN), KR-B1; 14 QR-K1 (renewing the threat of 15 N-Q5, PxN; 16 KPxP, B-N2; 17 BxN, BxB; 18 Q-R7 ch and 19 Q-R8 mate), P-N3; 15 P-B4, P-QR3; 16 Q-K2 (again threatening N-Q5), R-R2 (defence by protection of the K2 bishop); 17 R-Q1, Q-B2; 18 P-KB5 (with the familiar threat 19 PxKP, PxP; 20 N-Q5), NPxP (hoping for 19 PxP, P-K4 and Black stands well); 19 N-Q5! NxN (if PxN; 20 KPxP, and now if B-K1; 21 RxP followed by piling up on the N, or if BxP; 21 BxP wins material); 20 KPxN, BxP; 21 RxB! PxR; 22 BxP (the bishop pair come into their own with threats of Q-N4 ch, BxP ch, B-K6 and Q-R5), Q-B4 ch; 23 K-R1, P-Q5; 24 Q-N4 ch, Resigns.

The notes are based on Stean's own comments.

Position No. 263: Readers P. Frampton (Potters Bar) and K. B. McAlpine (Glasgow) point out that Korchnoi could, after all, have won more quickly against Ljubojevic by 1 . . . NxP ch since the planned defence 2 BPxN, P-B7; 3 K-N2 can be met by 3 . . . P-B8 (Q) db ch! 4 KxQ, Q-B4 ch forcing mate in two.

POSITION No. 265

BLACK (11 men)

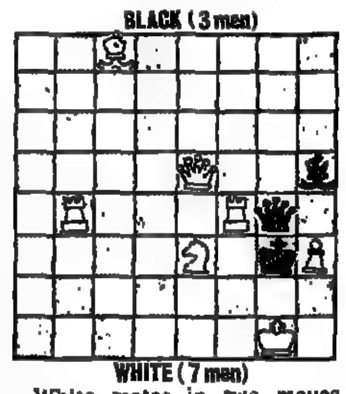


WHITE (11 men)

Cordes v. Gebert, West Germany 1978. In double-edged positions, one inaccuracy can swing the game. Black (to move) continued 1...Q-Q6; 2 R-R2, BxBP. Why was this a mistake, and can you find a better choice in the diagram?

PROBLEM No. 265

BLACK (3 men)



WHITE (7 men)

White mates in two moves, against any defence (by G. B. Spencer). White has a whole barrage of discovered checks and captures, but the key move forcing mate is well hidden.

Solutions Page 16

BRIDGE

E. P. C. COTTER

IN her new book, Bridge Around the World (Bodley Head £4.95), Rixi Markus gives us a month-by-month guide to the International Bridge Circuit, and I have no doubt that some of you may feel the urge to enter a tournament in one of the faraway places she describes. The book contains a number of excellent hands to delight and instruct you. Here is one which occurred in the Sunday Times Pairs of some years ago:

N.
♠ A J 7
♡ Q 6
◇ A Q J 8 5 2
♣ A 6

W.
♠ 10 8 4 2
♡ A 10 5 3
◇ 9 4
♣ K 7 2

E.
♠ Q 9 6 3
♡ 9 8 7 2
◇ 6 3
♣ J 8 4

S.
♠ K 5
♡ K J 4
◇ K 10 7
♣ Q 10 9 5 3

With neither side vulnerable, South dealt and bid one club, North forced with two diamonds, and South rebid two no trumps, which North raised to six no trumps.

West led the Ace of hearts, on which East signalled with the eight, and a second heart was taken by the King. There were 11 top tricks, and the finesse of the spade Knave seemed to offer the best chance for the twelfth. But why, the declarer asked himself, had West started by cashing an Ace? He must be under the impression that he was due to make a second trick—and what could that be but the King of clubs? Besides, East had asked for a heart continuation; with the club King he might have suggested a switch.

After reasoning on these lines, the declarer led the club Queen, and West, placing South with the Queen and Knave, did not cover, and that was the twelfth trick.

If West does cover the club Queen, the declarer can still make his contract. After winning with dummy's Ace, he cashes six diamond tricks, discarding three clubs from hand, and crosses to hand via the King of spades. Now the heart Knave, on which a club is thrown from the table, squeezes East, forcing him to throw the club Knave or abandon the guard to his spade Queen.

We leave London for Johannesburg and study a hand from a match between Rixi's team and a team of South African ladies:—

N.
♠ J 9 5 3
♡ A K 7 3
◇ 2
♣ A J 5 4

W.
♠ K Q 7
♡ 10 9 5
◇ A J 9 6
♣ Q 9 7

E.
♠ 8 2
♡ Q J 8 6
◇ 5 4
♣ K 10 8 6 2

S.
♠ A 10 6 4
♡ 4 2
◇ K Q 10 8 7 3
♣ 3

With North-South vulnerable, West dealt and opened the bidding with one (weak) no trump, and North overcalled with two clubs. This is the Sharples convention, showing tolerance for clubs, and guaranteeing four-card support for either major suit. East doubled to suggest a club lead, South jumped the three spades, and North raised to four.

West led the club Queen, won on the table, and a diamond was led to the King and Ace. The club return was ruffed in hand, the diamond Queen was cashed, and a diamond was ruffed with dummy's spade nine. East's failure to follow suit was unwelcome news—the diamonds could not be established—but the declarer was not beaten yet. *She cashed dummy's Ace and* King of hearts, and ruffed a heart in hand—that was seven tricks—and a diamond ruff with the Knave of spades on the table, a club ruff with the ten of spades in hand, and the Ace of trumps provided three more.

Boldly bid, and competently played.

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Saturday April 28 1979

The glamour fades a bit

SINCE THE vote of confidence which brought Mr. Callaghan's three years to an end — and more pertinently, Labour's four and a half years—the markets have witnessed a full-scale celebration by the Investor's Liberation Front. The last week, however, has seen not so much a hangover as a return of sobriety. Both investors and voters have started to do their sums, helped by some tendentious tuition from Labour leaders, and come to realise that they should have paid closer attention to the phrase in the Conservative manifesto which emphasises that miracles are not to be expected from a new government. There will be no overnight revolution in our affairs.

Inconclusive

One result has been that although the Conservatives still have a very comfortable lead in the polls, it is a shrinking lead. A lacklustre campaign has offered little to divert attention from this slow drift of opinion, and observers tend to remind each other that in two of the last three General Elections, the swing of opinion generated during the campaign has swamped the balance seen before it started. Some older heads are also remembering that, as Mr. Gaitskell proved in 1959, it can be extremely dangerous to leave your opponents with a monopoly of the arithmetic.

None of this means that Labour is likely to overcome an adverse margin of five to seven per cent in the closing days of the campaign. On the other hand there is little evidence of the great surge of popular will for economic liberation which would have assisted a radical programme, and the possibility of another inconclusive result has come back into the reckoning.

While the election is naturally foremost in the thoughts of British investors, it is by no means the only important influence on our economic future. The sharp reaction in sterling, which was the most startling economic event of the week, was a reminder that we are a small, open economy is a world which has many problems of its own. Despite four years of sometimes fitful effort, fighting inflation remains the main priority for economic policy nearly everywhere, especially since the sharp rise in oil prices in April and the threat of a further rise.

The oil price itself has favoured sterling; but the reaction to it — a tightening of monetary policy nearly everywhere — has subsequently reduced the attraction of sterling interest rates. The exchange market was bound to peak before long, and duly did so. As in the polls, the underlying change remains; values have shifted so that today's lows are yesterday's unattainable highs. We have been reminded, though, that shifts can be reversed.

Forbidding

Sobriety is in truth a much more reasonable reaction to our prospects than euphoria, as we have been saying rather dolefully for some weeks. The one great improvement in our affairs, in the opinion of most City commentators, is that domestic inflation is not, after all, likely to take off into the blue yonder again: the most recent trends for money, credit, earnings and the terms of trade suggest that though inflation will no doubt touch 10 per cent again, it will gently subside thereafter. Those who like to brood on league tables can now take some perverse comfort from the more forbidding figures which have recently appeared in the U.S., for example.

On the other hand, the situation in the outside world certainly does not favour the prospects for growth—prospects on which both political parties have banked rather rashly, the Conservatives to finance painless tax cuts, Labour to pay for yet more public spending. These plans may have to be deferred.

Protectionism

In round numbers, the most recent forecasts suggest that the April price rise in oil, which will transfer some $25bn to the OPEC countries, and the deflationary policy response to this change in importing countries, will reduce prospective growth in the developed countries by a full percentage point. The fall in world trade may be rather greater—forbidding tidings when our own export growth even before the oil shock was forecast at 4 per cent or less.

There is also a renewed danger that protectionist pressures, reflected in the confrontation between the EEC and Japan, will not be so easily contained as they were in the easy deficit financing conditions which ruled after 1974. The strong competitive pressures already implied by a strong pound would be redoubled in a depressed world market.

A freer home market and a reduced public sector would certainly help in confronting such a challenge; but nothing will make it easy.

POLITICS TODAY

Leadership wanted, but leaders found wanting

THE ESSENTIAL question about next week's election has always been whether the British people want a change—not just a change of face or a change of Government, but a fundamental change of direction.

There never was much doubt that the possibility of change is being offered. The manifestos of the two major parties present radically different policies. Nothing that has been said since their publication suggests that either party has gone in for much trimming. Indeed one of the most remarkable features of the campaign so far has been the consistency of the parties in sticking to their original guns. There has been no great auction for votes. The electorate is faced with "a choice, not an echo."

That phrase comes from Mr. Barry Goldwater's Republican campaign for the presidency of the U.S. in 1964, but there is no reason to believe that it would be rejected by Mrs. Margaret Thatcher today. There are times when the Conservative leader seems deliberately to pick up Mr. Goldwater's language. One of his best-remembered slogans was: "In your heart you know he's right." Appealing to traditional Labour supporters to "cross the Rubicon" and vote Tory, Mrs. Thatcher said in her speech in Cardiff on April 16: "You know in your hearts that Britain must take a different road."

Yet, as polling day approaches, it is clear that it is precisely that question of the different road that is bothering the electorate, or at least that uncommitted or wavering part of it which will decide the election result. It is clear from the way the Tory lead in the opinion polls has begun to narrow to the point where, if it goes down much further, an overall Tory majority would be in doubt. It is also clear from the way traditional Labour voters will approach a Tory candidate in the streets, confess their unhappiness with the Labour Government, but add how difficult it is to change a lifetime's allegiance.

Memories revived

The choice can be put in a number of forms. Is it wise, for instance, to risk a confrontation with the trade unions by trying to bring them more under the control of the law at a time when memories of the clash between Mr. Heath and the miners are still fresh, or are at least being revived by the election campaign? Should one even consider reducing state aid to industry when a possible consequence is yet more unemployment? How can one talk of a return to anything like free collective bargaining when anyone with even the vaguest memory of the last 20 years can recall that successive Governments have been obliged to resort to some form of incomes policy?

All those questions can be reduced to one essential: do the British people really want change and, if so, dare they risk it?

There is also a much deeper, though related, problem. The people appear to want to be led, but they have grown to distrust their leaders. There is no other way in which one can explain what has been happening during the campaign. This campaign is frequently said to be boring. It would be more accurate to describe it as serious and quiet. People do listen. They do seem to know the differences between the parties. They sit through even the dullest speeches almost as if they were sermons. It is obvious that they want someone to look up to.

They also ask questions, though it is striking how many of them are confined to

sectional interests—whether it is Ireland, pensions, housing or whatever. (That in itself is perhaps a sign of the fragmentation of British society: there are not two nations, but several.) At the end, however, they appear rarely to be satisfied with the answers. It is as if they want to declare their faith, but draw back at the last minute because they cannot find anyone or anything to believe in.

That in turn leads to the question of credibility. Which of the two parties is more likely to be able to put its programme into effect if it wins the election? Both manifestos require an act of faith. Mr. Callaghan's promises are based on the assumption of an annual economic growth rate of 3 per cent or more, sustained over a five-year period. There is also a quite specific pledge to reduce the rate of inflation to 5 per cent in 1982. One does not have to be an economist to realise that neither the growth rate nor the inflation target exactly square with Labour's record in office.

Mr. Callaghan is also calling for another suspension of disbelief. In fighting in defence of existing policies or of what he called on television this week a programme of "change that is planned," he is asking the electorate to accept that existing policies work. Even where they do not—as in the failure to reach an agreement with the unions last summer and the industrial discontent this winter—he is saying that it is all part of the learning experience. Next time a Labour Government and the trades unions will do better.

The instinctive reaction is to look at the record, or simply to remember the past, and to say that Mr. Callaghan is wrong: hence the enormous Tory lead in the opinion polls before the campaign began. The events of the winter are a standing contradiction of the view that Labour's co-operation with the unions works to the benefit of the country as a whole.

In the campaign itself, however, the ground has shifted. The electorate is being asked not just to make a judgment on Labour's record, but to say whether it would still prefer a Labour Government, warts and all, to the radical reforms offered by Mrs. Thatcher. That is a much harder question to answer. In other words, it is one thing to express no confidence in Mr. Callaghan, but it is quite another to vote against him if the consequence is to bring in Mrs. Thatcher's Tories.

It is to the Conservative leader's personal credit that she has scarcely tried to soften her approach as the campaign has gone on. At times there is a kind of mysticism in her as she attempts to describe Britain as she would wish it to be. "But stop and listen a moment," she said in Cardiff. "Listen to the voice deep inside a great and ancient nation. First, there was a murmur, then a cry, now there is a great shout of anger and determination that we *will* be free, that we *will* be strong again, that we too can prosper, so long as we have a Government which serves and does not seek to master."

One may doubt whether this has much of an effect except on the converted, and one's own impression is tempered by the suspicion that it is a far from accurate observation. The cry of pain or even the whimper of demoralisation are familiar enough, but one has yet to hear the great shout of anger. Yet one can never be sure. Certainly she is right if she thinks the country wants to be led. It may not want to be led by Mrs. Thatcher.

Held her ground

To move from the mystical to the mundane, here too the Conservative leader has held her ground. Mrs. Thatcher has faced head on the charge that the Tory figures for cuts in direct taxation and cuts in public expenditure do not add up, as indeed they do not. Interviewed on the TV EYE programme early this week she defended herself by saying that the economy is not a fixed sum. If you cut taxes, you will encourage people to earn more, some of which will be recouped in revenue.

That is a perfectly reasonable position to take, but again there is the question of credibility. How quickly would the process work? How much room is there for spending cuts without impairing the public services, especially when the Tories have promised to increase spending on defence and on law and order while maintaining the resources devoted to the National Health Service, and have come very close to making the same promise on education? Not least, what is this distinction which the Tories keep making between real and artifical jobs? One doubts if it is immediately clear to (say) the steel workers, or the shipbuilders who might be involved.

Committed in advance

These questions are by no means hypothetical. Some of those who might be expecting to work on the first Tory budget, if there is one, are acutely aware of the size of the task. They also know how much of public expenditure has been committed in advance. The room for cuts in 1979-80 is small.

A Tory Budget in June would thus almost certainly be a skeletal one. There would be some direct tax cuts so that the money would be in people's pockets before the next pay round begins in September. There would be some compensating increase of indirect taxation. There would be some public expenditure reductions and a declaration of intent on the public sector borrowing requirement. But for the rest the Tories would be playing for time in order to take stock of the situation.

They are aware that the size of pay settlements in the public sector is an unknown factor because of the current exercises in comparability. They are also all too conscious that they have failed to get across their message that income tax should be counted as part of the cost of living. The rise of retail prices brought about by the increase of VAT and excise duties would therefore create immediate problems of political unpopularity. This unpopularity could be a crucial factor if the Tory majority were small and another election not far away.

At best, the Tories might hope, having looked at the books as they say, to be able to introduce a second budget in the autumn. But on the present view that is far from being a certainty. The real change of direction, as distinct from the declaration of intent and initial tax cuts, would have to wait until 1980.

It is sometimes said that the Tories are being dishonest in presenting their policies in this way without being specific about the figures. In fact, the opposite is true. They are being as honest as they can on the basis of available information and given the present state of the economy. There is a determination, which has held throughout the campaign, not to make specific promises which may turn out to be incapable of fulfilment. But again it comes back to the old question: do people believe that the Tory policies of creating incentives in order to encourage growth will work? Once more, an act of faith is required.

What it comes down to then for the wavering voter is a choice between the devil he knows and the devil he doesn't. It is a real choice still, but it is a choice between devils rather than between devils and angels. My own impression is that to much of the electorate the economic arguments *per se* do not matter very much. A large number of waverers would be prepared to go either with Mr. Callaghan's brand of socialism or Mrs. Thatcher's brand of capitalism, if only they believed in the leadership. The fact is that neither leader appears capable of carrying the country as a whole.

It remains that one could very well be wrong. Mr. Goldwater's campaign, which Mrs. Thatcher seems to echo, turned out to be a disaster. Afterwards, however, Goldwaterism became respectable and Mr. Goldwater was judged merely to have been ahead of his time. It could be that Mrs. Thatcher has got the timing right. If so, that would be almost entirely due to her own personal judgment. It would be a quite remarkable achievement.

Looking for British analogies if there are any, the nearest is 1951. The Tories won in the end, but only just. Mr. Attlee, the outgoing Labour Prime Minister, fought an exceptionally strong rearguard campaign in defence of Labour policies and Labour values. In the course of it he showed how hard it is for a radical opposition party to persuade voters to change their traditional allegiance when it comes to a general election.

Yet perhaps the fact that matters most is that the number of voters needed to change is actually quite small. There appears to be no evidence in this election of Tories switching to Labour. There is a good deal of evidence of Labour voters either wavering or even switching. It is on the strength of this wavering, some of which may lead to abstentions, that one would still expect Mrs. Thatcher to win, though with a majority less than overwhelming.

Malcolm Rutherford

April 1959: Zec of the Daily Herald pours scorn on Mr. Harold Macmillan's celebrated "you've never had it so good." But Mr. Macmillan won the election. This year it is the Tories who say the country is poorly off. The boot is on the other foot. But whose foot will it be?

Letters to the Editor

Savings

From Mr. M. Greener

Sir,—The Labour Party wishes to add a wealth tax to the present burden we are asked to bear. The Conservative Party does not. Neither party, however, offers to remove the effective wealth tax that already exists.

Many of us wish to save rather than spend on inessentials. In so doing we might be contributing toward economic recovery. Why then does no politician offer to remove the disincentives?

Anyone with £100 in May, 1968, could have saved it. Had he been the gambling type then he might have tried his luck with the Premium Bond fruit machine. Assuming, as is more than probable, luck passed him by then in May, 1978, he would receive back no more than the £100 he put in. In 1978 the equivalent sum in real terms would have been £300. He has paid a wealth tax of 66 per cent, or 6.6 per cent per annum.

Had he been, on the other hand, a cautious and responsible man he might have taken the oft-given advice to put his £100 in the safe hands of a reputable building society. Assuming interest of 8 per cent after tax, he could have accumulated £216 by May, 1978. His wisdom has earned him not a profit but a reduction in capital of £84—this being the effective wealth tax he has been made to suffer.

May I point out to both the major political parties that there is little point in arguing about a tax on wealth that we are not allowed to earn. Most of us would even be prepared to forgo interest on our savings if only some guarantee could be given that, when we come to withdraw them, we will receive at least as much as we put in.

Michael Greener.
9, Romilly Park,
Barry, S. Glam.

Insurance

From Dutton and Brasier

Sir,—We feel that the information given in Mr. Short's article (April 21) leaves a rather false impression of the benefits of taking a large excess on a comprehensive insurance policy. The example he gives, that of general accident, can be illustrated quite easily.

For a client with a 60 per cent no claim bonus, the actual financial saving in taking a £50 excess, would be £5 and not £12.50 as indicated. We can best illustrate this by giving you two quotations:—

Example 1

Gross premium	£200
Less voluntary excess ...	£ 25
	£175
Less 60% no claim bonus	£105
Net premium	£ 70

Example 2 (as per article)

Gross premium	£200
Less voluntary excess ...	£ 25
	£175
No claim bonus	Nil
Net premium	£175

Therefore, the information in the article is only true to the extent of covering those who have no no claim bonus discount, and who do not qualify for an introductory discount. We feel most strongly that in particular with regards to the sixth paragraph which referred to the four year period free of accidents, the information contained therein was substantially incorrect.

Having criticised so heavily, we must say that we found the residue of the article concerning "franchising" most interesting.

P. C. Riches.
Neasden Corner,
323, Neasden Lane,
Neasden, NW10.

Minerals

From Mr. J. Brooke

Sir,—Sir John Lomax (April 19) is to be congratulated for stating so succinctly what is needed to encourage development of the mineral resources of this country. The decline in prosperity in the home metal mining industry can be traced back to the days of the first world war, when massive Government intervention successfully prevented it from prospering and developing as it should have done. As a long-standing member of the Cornish Mining Development Association and as an associate of the Cornish Chamber of Mines, both of which place the encouragement of mining at the head of their list of functions, I can say that I view with horror the officially well-developed negative attitude to mining.

While politicians of most parties mouth ill-informed platitudes about mining, it is Whitehall which calls the tune. The time is now ripe, Sir, for Parliament to reassert its authority over the civil service. Ministers responsible should over-rule the standard civil service arguments for not providing a fiscal framework within which the industry can flourish. These arguments range from claims of "unfairness" to "we can't do anything for mining because if we did every other industry would insist on being helped. In the light of aid given to industries producing motor-cars, machine tools, textiles and ships, these arguments appear somewhat hollow.

Justin Brooke.
Chymorvah Vean,
Marazion,
Cornwall.

Moderates

From Mr. B. Jamieson

Sir,—I was disappointed to read (April 23) that the members of the National Westminster Staff Association are "strongly opposed" to TUC membership. As a member of one of the other bank staff associations and also the Banking Insurance and Finance Union it is worrying to see a large moderate body of opinion apparently swayed by the ideas attached to affiliation to the TUC.

The TUC is made up of a great many unions, the vast majority of at least reasonably moderate views although often of small membership and usually silent. At the time of the Industrial Relations Act, the National Union of Bank Employees, as it then was registered under the Act (anathema to the left wingers), and was consequently expelled from the TUC for a time.

It is only by moderates becoming more militant, if this is not a contradiction in terms, that trades unionism in this country will not only become saner but will be seen to be more responsible by the public, many of whom have no Union to support their interests.

Bankers are by and large sensible people, and many are prepared to speak out. If, therefore, BIFU loses support and the staff associations of the clearing banks do not become affiliated to the TUC an important voice will not be heard where it matters.

In my opinion it is a pity that NUBE embraced insurance and other financial institutions to become BIFU as remaining separate, three voices could have been heard at the TUC. As it is we must wait to see if the Johnston report will manage to amalgamate the different ideas of the staff associations and BIFU. I hope it will.

B. G. W. Jamieson.
13, Rustwick,
Tunbridge Wells, Kent.

Babcock

From the Secretary,
Babcock and Wilcox

Sir,—Mr. W. J. Willcocks (April 21) expresses dismay at the proposal of my Board to change the company's name from Babcock and Wilcox Limited to Babcock International Limited. The final decision is, of course, in the hands of the shareholders at the Annual General Meeting.

We share Mr. Willcocks' nostalgia for our name, and take pride in its links with the past. In the past ten years or so, however, the business of the company and its subsidiaries has been transformed by diversification and acquisition. In 1963, turnover just exceeded £100m, and profit before tax was £3.2m. In 1978 the corresponding figures were £778m and £3?.5m.

As our shareholders are aware, about two-thirds of our turnover and profit are now generated from overseas sources. Our operations thus have a distinct international bias while the image reflected in our present name, illustrious as it may be, tends to be rooted in the past when we were essentially a United Kingdom-based boilermaking company.

It is therefore proposed to adopt a new name which characterises the company's world-wide interests, and will be more readily identifiable with the wider range of products and services which have been developed or acquired in recent years, as well as with those traditional products on which our reputation was founded. The new name will also distinguish us from other substantial but unrelated companies which bear names not too different from our present name.

Mr. Willcocks can perhaps draw some small consolation from the fact that the new name, if it is adopted by the shareholders, will not be used until September of this year, so that he will continue to see our present name in Stock Exchange Lists for the next few months.

E. G. Lunn.
Cleveland House,
St. James's Square, SW1.

Teachers

From Mrs. P. Isherwood

Sir,—From his letter "A study of comparability" (April 24), I have formed a very clear impression of Mr. D. Logdon, but he would appear to be singularly ill-informed.

If Mr. Logdon has any children at school he would like to know, at regular and frequent intervals, how they are progressing (setting and marking examinations and homework, preparing reports, attending parents' evenings). Perhaps one of his offspring has a scientific bent (checking and preparation of laboratory equipment), or does he/she lean more towards sport (organisation of games after school/on Saturday mornings/afternoons). I understand that the countryside around Tring is very beautiful (nature outings), and of course that area is not so far from London (visits of historical interest?). I would like Mr. Logdon to hazard a guess as to how many hours teachers spend each week on the activities shown in brackets. It is not a 9 am to 4 pm profession.

Maybe his family stay for school meals. Proper supervision at lunch time is achieved, in my husband's school, by teaching staff. Would Mr. Logdon care to pay for, and eat a school dinner in the company of 300/400 children at a "sitting," thereby losing his own lunch period? My husband did this for 18 years.

I am sure someone will throw "teachers' holidays" at me—I will say, therefore, that I work as a secretary in industry, and the difference between the number of days I have in a year and the number of days enjoyed by local teachers, is 24. (If I were a manager, this would be reduced to 19.)

As for "inflation-proof" pensions, surely Mr. Logdon is aware that 6 per cent of teachers' pay is deducted for pension purposes and they pay the full National Insurance contribution. Since the average life expectancy of a male teacher, retiring at 65, is 8 years, I think one can safely assume that the teachers save for their pensions during their working life.

Mr. Logdon may be, as he says, "tired of public sector union whining." I am very tired of private sector "knocking."

(Mrs.) P. Isherwood.
17, Westgate Avenue,
Holcomb Brook,
Bury, Lancs.

Kerry Packer: sixes on and off the field.

An uneasy peace breaks out in cricket

BY JAMES FORTH IN SYDNEY

NOW THAT Establishment cricket and Kerry Packer's breakaway World Series Cricket troupe have agreed to end their two-year war, both sides can get down to the business of negotiating peace terms. Business is the appropriate word to describe the negotiations, because that is what cricket has become.

It was the profit motive which prompted Packer's decision to establish the WSC two years ago and the same motive which is behind the rapprochement. The WSC came into being after Packer was refused permission by the Australian Cricket Board to bid for exclusive television rights when the Government-owned Australian Broadcasting Commission's contract expired. The ACB offered him commercial rights but not exclusive rights. The response by Packer, never one to tread softly when it is possible to charge ahead, was to set up his own cricket teams for his television stations—and to pick the cream of cricketing talent.

The original idea was conceived not by Packer, but by a man named John Cornell, who packaged television shows by a popular Australian comedian, Paul Hogan. Cornell proposed signing up a few top cricketers for a series of privately-arranged one-day matches for television. Packer, fresh from his rebuff by the ACB, seized upon and expanded the concept. Cornell and a companion then began a secret recruiting campaign, which secured under contract 22 leading Australian Test cricketers and many leading West Indian and English Test cricketers, including England's then captain, Tony Greig.

There are two main reasons why Packer was able to get WSC off the ground. One was that players had increasingly come to feel that officials—both in the ACB and in the London-based International Cricket Conference—had become out of touch with the realities of modern sport: that they ruled the game by divine right and that the cricketers themselves were expendable.

The other was money. At the time of WSC's launch, a member of the Australian Test cricket team was earning about A$12,000 per year. WSC has changed all that for many of the top cricketers who went with Packer. Exactly how much they earn is a secret guarded closely by both the players and the WSC camp, but it is undoubtedly more than if they had not seceded.

The mass defection has also boosted the pay packets of the current crop of test cricketers, but what will happen if the WSC players are again available for Test selection just one of the matters which remain to be cleared up in the current negotiations.

According to a former public relations man for WSC, Christopher Forsyth, in a book about the WSC saga (just one of several books spawned by the affair) the average fee in the first season for most WSC players was about A$25,000.

Forsyth claims that Australian fast bowler Dennis Lillee (the first to sign, in January, 1977) received $A35,000 a year, the Australian test captain, Greg Chappell, received the highest amount, $A40,000 a year, plus a house in Brisbane, while Tony Greig received $A30,000 a year plus a $A10,000 signing-on fee. Former Australian test captain and journalist Richie Benaud reputedly got $A30,000 a year.

Just what the WSC has cost Packer to date is simply unknown. It is impossible to tell from the published accounts of Packer's $A100m media and publishing empire, and nobody in the group will comment. Packer does admit that he has lost money in both years, but that the losses dwindled considerably in the cricket season just passed—aided by the poor showing of the emasculated Australian Test team and its thrashing at the hands of England. The Packer camp was confident that WSC was not far from earnings profits and it appears that the ACB may have reached a similar conclusion.

In the 1978 accounts of Packer's Consolidated Press group, the only reference to WSC said "in last year's report we referred to our promotion of World Series Cricket and shareholders would be aware of the controversy that has surrounded this venture. This year's summer season created a massive public awareness of our activities and in the coming season we are confident of a high degree of public support. Advertiser interest in the matches has increased markedly and we assert with confidence that in this season the costs of staging the cricket will be reduced and the revenue will be increased."

These forecasts proved accurate. While the WSC Supertests failed to capture public interest, spectators turned up in droves for the one-day "international" matches. The introduction of night cricket, played on the Sydney cricket ground under spotlights especially installed for the event, was an immediate success and attracted a crowd of about 50,000 spectators for the opening match.

This compares with a miserable attendance of about 3,000 at the first Supertest in Melbourne in 1977 which brought in A$7,800 gross. TV sponsorship in the initial year also fell well short of the original estimates.

There have been one or two "guesstimates" of the losses run up by Packer. Forsyth asserted in his book that the gross loss in the first year was A$3.8m.

As the latest cricket season progressed it became increasingly apparent to all, including the ACBs and, presumably, the ICC, that WSC was fact becoming a permanent fixture. Moreover, consolidated Press earnings were still gaining ground. On top of this, the innovations and promotional techniques employed by WSC were attracting large numbers of young people to its games. A survey of spectators over the last three days of the one-day internationals in Melbourne showed that 40 per cent of spectators were attending their first cricket match and 90 per cent said they would come again.

The ABC is reluctant to "pick up the crumbs" left by Packer. Moreover, the ABC staff association is threatening to refuse to broadcast tests to country areas.

At the same time, attendances atthe official Tests and Sheffield Shield matches fell away. The end result is that Packer's Channel Nine network now has agreement in principle that it will get the exclusive television rights for official cricket for the next three years. The amount involved to obtain those rights has not been disclosed, but it is presumably more than the $A1.5m originally bid by Packer. Some reports suggest that it is about $A1m a year, or $A3m, but the Packer organisation will not comment. Nor will anybody comment on the many other questions which are still unresolved, such as a guarantee that there will be no victimisation by ABC and ICC officials of former WSC players who return to the fold or that Tests will not be interrupted by excessive advertising.

A row is also brewing over the televising of the cricket to remote country areas, which were serviced by the national ABC network.

The Federal Minister for Post and Telecommunications, Mr. Staley, has made it clear that he considers the ABC should televise the cricket to those areas which the Packer network does not cover, or where commercial country television stations decline to buy the television rights.

Not quite the game . . . but there's no arguing with the money

WHEN Kerry Packer secretly signed up a high percentage of the finest players in the world, including the captains of England, Australia, Pakistan and the West Indies, the cricketing authorities were caught as unprepared as the Americans at Pearl Harbour and his attack was bitterly resented. It simply was not cricket.

Their resentment stemmed not only from the fact that his action had a very adverse effect on Test cricket and tours because it reduced the overall standard of the international game—as well as their own power; it also destroyed some cricket illusions.

It had been taken for granted that the honour of representing one's country in a Test was more than enough by itself. Until Packer arrived this was perfectly true, because the Tests provided the glory, the glamour and the highest financial rewards. However, in any professional sport it is the money which eventually counts, or at least it does until such time as the sportsman has earned, or is earning, so much that it does not matter any more. The Davis Cup provides an obvious example, while the footballer sells his loyalty to the highest bidder. This is modern life and not new. It must be 30 years ago when an amateur footballer complained bitterly to me about his England selection, as it cost him money because the national 11 would not pay him what he received, quite illegally, from his own club.

Although WSC posed serious problems for established international cricket from both the playing and the economic angles, it has also brought some benefits and innovations.

Kerry Packer has made the game far more rewarding financially for international cricketers. Those under contract to him have earned money on a scale they could not have achieved before.

Conscious of the rewards being offered by WSC and fearing further defections, the various boards of control have raised substantially the pay to their national teams. Nowhere has the effect been more dramatic than in England, where in two short years Test appearance money has soared from just over £200 per match to £1,200, which even in these inflationary days represents a substantial increase. On top of that the extra payment each England player receives for an overseas tour has more than doubled. There are now so many big prizes and special awards for winning that one loses count of them, and with a host of fringe benefits also available, it is easy to understand why Gower and Botham have not joined WSC. They are doing just as well financially and enjoying their cricket infinitely more.

The returns from playing international cricket are now sufficiently high to attract young men who might otherwise have concentrated on another sport. However, the time has not yet arrived when, like our best boxers, tennis players, racing drivers and footballers, they need to become tax exiles. And it must be realised that this new-found wealth is derived from sponsorship and television, not gate receipts.

In Australia, Kerry Packer has sold limited-overs cricket to the public. The one-day game, until last winter, had never caught on there to the same extent as it has in England, where the Benson and Hedges and Gillette finals are important and established dates in the calendar. Now it should be very different. Sponsors and television like limited-overs cricket and it will produce extra revenue for the game in Australia.

With his night cricket, Kerry Packer has introduced an entirely new conception to the game. In Australia, night cricket has a real future, providing the lights are as brilliant as those at Sydney. As well as furnishing a fine spectacle it allows people to see the game after work. The white ball is easier for the spectator to follow than the red one, even though the manufacturers have not yet worked out the best way for it to retain its whiteness.

The technical presentation of cricket on Kerry Packer's television station has displayed considerable imagination and fresh ideas, even if the advertisements are overdone. He has marketed the game in a thoroughly professional manner. Those who watch, both live and on the box, are vital to his organisation. He has therefore set out to satisfy them and to acquire new followers in the process. Unquestionably, cricket has something to learn from his very businesslike approach.

Trevor Bailey

Weekend Brief

Loco chips

"After this autumn model railway systems will never again be quite the same. The micro-electronic revolution is about to make thousands of model train enthusiasts—young and not so young—change the way they think about their hobby. And in the process, they will also discover what a far-reaching impact micro-chips are going to have far beyond the tiny world of model railways.

Hornby Hobbies, part of the Dunbee-Combex-Marx group, have spent the past two years developing a wholly new way of controlling an electric train layout. The mini-computer that runs the system is on its own about as powerful as the first computer invented soon after the war. But unlike this computer, which occupied a large room, the control box is about the same size as a medium-size box of chocolates.

The Hornby system will eventually sweep away the small forest of wires that are at the moment an indispenable part of any train set. In their place will be a mere two wires connecting the controller to the track.

Down these wires will pass all the information from the controller, information which can be typed-in on a panel which closely resembles the keyboard on a pocket calculator. Engines, points, signals, lights will each have their own code and eventually the whole layout can be run from this one control panel. By contrast, at the moment, each set of points, or each signal, is controlled by a separate lever.

In the first phase of the new system—which is due to be in the shops in the autumn—Hornby are concentrating on the engines. The controller can run up to 16 engines at one time unlike most existing control panels which run only one.

The secret is that each engine has its own micro-chip which responds only to the code transmitted electronically from the controller. Each of these tiny chips which measure about one inch by ½ by 5-16ths contains the equivalent of 8,000 transistors. They can be installed very simply on almost any engine now made and, once coded, give the engine a tiny mind all its own.

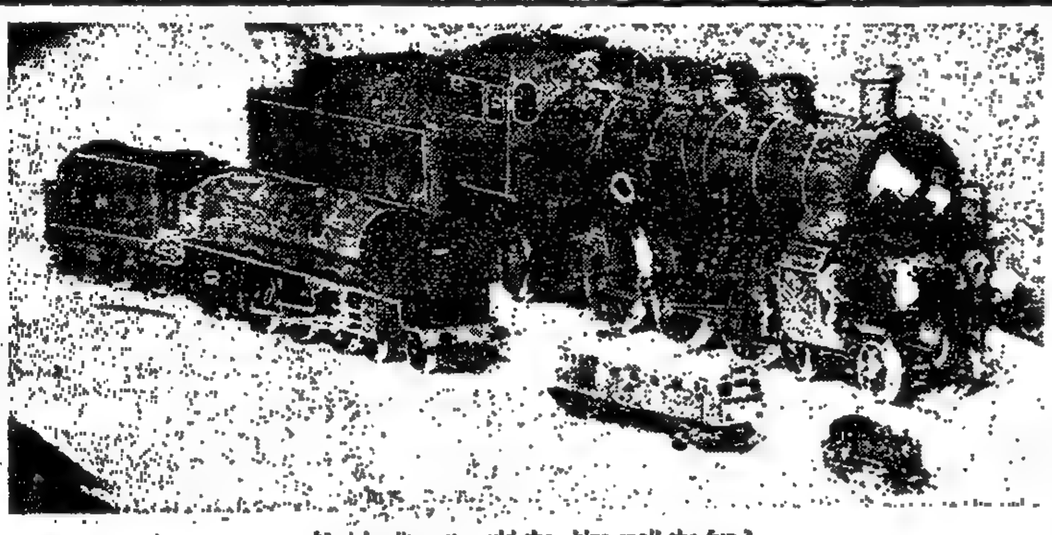
The chips mean that the engines no longer respond merely to electricity in the track. Now they are, as it were, capable of independent action. The computer in the controller allows them to be set at a certain speed or to start slowly and gradually gather momentum.

Once, for example, four engines are running at preset speeds, the operator can then run a fifth engine as he wishes. Extra "slave" controllers attached to the master controller increase this capacity still further. But the company has thoughtfully provided a panic button so that when all this gets out of hand the owner only has to press it and everything stops.

This new system will not mean that enthusiasts have to throw away their existing trains and start again. Almost all existing engines can be easily adapted to take the chips and the system works with almost every type of model railway made in the world.

The cost is about £35 for the controller and £5 per engine chip: once the decision is made to "go microelectronic" all the engines have to be converted at once since the new system works on a slightly higher voltage provided by the controller which also acts as a transformer.

Next year Hornby will introduce phase two of its system which will allow control of points and signals. These will also each have their own code and will be operated from the same controller.



Model railways: could the chips spoil the fun?

Bon Bonn

Bonn, the often maligned federal German capital, jokingly accused by many of being "three times as big as Chicago cemetery and four times as quiet," has gained a new attraction.

After the opening of the greatest West German garden show ever by the Federal President, Herr Walter Scheel, yesterday, Bonn is expecting a stream of visitors. Already more than 90,000 tickets have been sold — and the show will run till October.

The local authorities have been working feverishly to get the city ready for the onslaught. Last week, virtually at the last moment, a huge underground station which cost the staggering sum of DM 100m—designed to be the core of the town's public transport system — was finished. From there trains are being laid on to the main entrance of the garden show. A campaign was launched to "make Bonn the greenest town in the country." The city fathers appealed to "Bonners" to plant flowers in their gardens, on their balconies and terraces."

At one point it looked as if Bonn had overreached itself with this "show of superlatives." The local authorities had undertaken to set up the show on 250 acres of ground which corresponds to the combined size of the two preceding garden shows at Mannheim and Stuttgart. The show grounds are part of the "Rheinauenpark," a 400 acres big green belt along both sides of the Rhine linking Bonn and Bad Godesberg on the left side and the suburbs of Beuel and Koenigswinter on the right.

Apart from DM 130m for the infrastructure of the park, costs for the garden show were estimated originally at around DM 23m. Then a series of mishaps occurred. In the hot summer of 1977 the freshly laid out turf dried up. 150 of 5,000 newly planted trees died, because they were planted on rubble instead of on soil. Gardeners dosed trees with such strong insecticides that 20-year old oaks perished. Restaurants and kiosks under construction were left without electrical light and drainage. Cars on trial runs sank in on fields which had earlier been flattened to make parking lots.

But despite the financial difficulties the spectator will be treated to an impressive festival of flowers and blossoms. The lovely Japanese garden, a contribution to the show from the Japanese Embassy, which specially flew out trees from Tokyo, is particularly attractive. Holland is demonstrating that it is the country of the tulips. Replicas of Roman funeral stones from the city's museum form the border of the so-called Roman road, and everywhere there are gardeners' competitions for the most exotic and the most beautiful creations of horticulture and garden design.

Life at the top

"If you'll excuse the pun, this is a conference at the highest level," said Ambassador Leslie Wilson of Jamaica. Some of the delegates at the 18th conference of the United Nations' Economic Commission for Latin America (ECLA) smiled a little wrily for, at 12,000 feet at the hotel in La Paz in Bolivia, many of them were feeling the effects of the altitude more than somewhat. The hotel's eight oxygen cylinders and twenty oxygen bottles were in demand, as some of the older delegates and those who had eaten or drunk too well gasped for breath.

The Bolivian Government was delighted to play host to La Paz's first major international conference, and to have the opportunity to air its case for the return of its specific coast territories which Chile conquered 100 years ago last year, making the Bolivians land-locked. The Government lent the National Museum of Art to the UN for a reception on Monday, and those who were up to it spent an unforgettable two hours in the newly restored colonial palace, listening to a chamber orchestra playing Mozart by the alabaster fountain in the patio, and viewing the madonnas, angels and saints painted by the artists of the Spanish colonial school. The Museum, a former Spanish Governor's home, built on the steep and breathtaking main street of the city, overlooks the principal square, where stands the lamp-post on which a former President was hanged in 1946.

Despite the big local Press coverage of the ECLA conference, it was the current presidential elections which took up most public attention. The 5m Bolivians have a choice of 59 parties and 10 candidates in the forthcoming poll. Until Wednesday, there were 11, but then General Rogelio Miranda, until recently Ambassador in London, withdrew his candidacy. He was president for four hours, between military coups some years ago. Perhaps he knows something about the presidency and lamp-posts the remaining candidates don't know.

What a laugh

It sounds like everyone's idea of the perfect job—making money laughing. Two young New York ladies with infectious giggles have just formed themselves into a company called The Laugh Business, and are offering their services to Broadway producers who feel their show needs a lift.

For $100 on opening night, or $50 a night thereafter they will sit in the audience and titter or cackle in all the right places and pull the audience along with them. That, at least, is the idea.

"But it is not just to make the audience laugh" say Martha Pomroy, 36, and Martha Stilson, 26, "the actors relax and perform better when they hear the audience responding."

The two Martha's got the idea when they found how easily they could reduce their friends to helpless laughter. "We created such mayhem laughing" they said "that people said it was too bad we can't bottle it." Gales of hysterical laughter filled the air as they gave an impromptu demonstration of their skills.

Behind the hilarity, though, the Marthas' approach is quite scientific. If the producer wants to bring out certain parts of his show they go through the script with him beforehand to find out where to laugh and what kind of laugh to give. But if he wants a spontaneous response, they'll go along "cold."

"We're really performers as well," they say. "We're an intelligent claque. We try to read the audience. We'll start with chuckles and then work our way up."

In one experiment, they managed to stir up laughter in an audience that was reacting in shocked silence to a sado-masochistic song. But they admit "If the show's plain bad, there's nothing we can do."

Contributors—
David Bell
Elgin Schroeder
Hugh O'Shaughnessy
David Lascelles

Yachting centre for Weymouth

A NEW national yacht racing centre, costing £1m, is to be built at Weymouth, Dorset. If the Olympic Games are staged in London in 1988, the sailing events may be held at the resort.

The centre will have room for 420 yachts and will be funded by Sports Council and local authority grants.

The Royal Yachting Association is launching an appeal to pay for the rest.

RYA secretary-general Mr. John Durie said: "The centre will be an ideal setting for the Olympics."

Economic Diary

TODAY—Election speeches by Mrs. Margaret Thatcher, Conservative Party Leader, and Mr. David Steel, Liberal Party Leader, in constituencies. Prime Minister addresses meeting in Edinburgh and Newcastle.

SUNDAY—Mr. Denis Healey, Chancellor of the Exchequer, addresses Union of Shop Distributive and Allied Workers conference, Congress Theatre, Eastbourne. Mrs. Margaret Thatcher attends Conservative Trade Unionist rally, Wembley Conference Centre, London.

MONDAY—UK official reserves (April) and Capital issues and redemptions (during April). Prime Minister is guest on Jimmy Young programme, BBC Radio 2. World in Action election special interviews with party leaders and 500 electors (ITV). Mr. William Whitelaw on Robin Day election phone-in BBC Radio 4. Amalgamated Union of Engineering Workers annual conference, Winter Gardens, Eastbourne. City of London parking meter charges increase by 50 per cent from 20p to 30p an hour. Prince Charles opens the Jubilee Line, the latest addition to the London Underground (in operation for the public from May 1).

TUESDAY—Prime Minister on Robin Day election call, BBC Radio 4. Mr. Clive Jenkins, general secretary, Association of Scientific, Technical and Managerial Staffs, speaks on Union Strategy, Royal Lancaster Hotel, London.

WEDNESDAY—Mrs. Margaret Thatcher at Conservative Party rally, Woodhouse School, Woodhouse Road, Barnet. London Chamber of Commerce discussion on the problems of "over-valued sterling" on UK exports, 69, Cannon Street, EC4.

THURSDAY—General Election polling day. Publication of Energy Trends. Two-day Financial Times Euro-Japanese Symposium—Trade, Finance and Politics in the 1980s opens at the Hyatt Regency Hotel, Rue Royale 250, Brussels.

FRIDAY — General Election results. Walsh Trades Union Congress annual conference, De Valence Pavilion, Tenby.

Tarmac surprises with 42% second half jump

CONTRARY TO the warning at midway that second half profits could only be maintained, **Tarmac**, the road making materials, civil engineering and housing group, has turned in profits 42 per cent ahead at £20.2m for that period.

This upturn, which reflects good performances by the quarry products and housing sides, has enabled the first half shortfall to be made up and takes the total for the year ahead by 9.5 per cent to £26.5m.

At the interim stage, when profits showed a reduction from £9.97m to £6.25m, the directors said that second half profits were expected to be similar to those achieved in the same period of 1977 and that their earlier forecast of an increased year's result had to be revised.

In the current year the group's UK operations suffered under the severe weather conditions of the past four months and the directors feel that the result for the first half of 1979 may not reach the level for the corresponding period of 1978. They say that it is too early to predict the full year's results but will be disappointed if the outturn for 1978 is not exceeded.

The group also announces that Mr. Robin Martin has relinquished the chairmanship as from April 26. He stepped down as chief executive on April 9 and said then that he would probably not seek re-election to the Board at the annual meeting in June. Until a new chairman is appointed Mr. Edwin Wright, the present deputy, takes over office.

After all charges the group profit balance attributable to Tarmac came out at £14.44m against £11.95m. Earnings per 50p share are stated to be up from 24.4p to 26.4p or from 21p to 21.9p on a fully taxed basis.

The dividend is being increased by the maximum permitted—from 9.898p to 10.947p net with a final of 6.961p.

The directors report that the quarry products division increased its profit before interest by 44 per cent to £17.9m. This was due to a significant improvement in the UK business and the elimination of West German losses.

The housing division profit was up by 62 per cent to £6.3m, despite constantly changing market conditions. Properties division also had a good year, substantially exceeding its 1977 profit.

The building products division's performance—down from £5.7m to £4.3m—was adversely affected by trading losses in France and costs related to a major re-organisation in parts of the French business.

Construction UK has responded to an extremely competitive construction market, but the keener margins and unsettled weather have reduced profits from £6.4m to £3.5m.

International construction has gone through a year of harsh readjustment to the changes in its principal Middle East markets.

The Nigerian subsidiary which has made heavy losses has been indigenised and Tarmac now holds only 40 per cent of the equity. Negotiations are still in progress to dispose of the remainder. The Board believes that the £16m provision against Nigerian losses remains adequate.

The group's accounting policy in respect of deferred tax has been changed to comply with SSAP 15. The provision for deferred tax at December 31, 1978, has been reduced by £33,819,000 (£31,061,000).

There has been a reduction in net borrowings from £53.1m to £33.1m at December 31, 1978. A significant part of the fall is due to the exclusion of borrowings of Cubitts Nigeria which ceased to be a subsidiary in December, 1978. Its borrowings then were some £11.9m, a substantial portion of which continues to be guaranteed by the parent company.

	1978 £000	1977 £000
Turnover	752,031	683,533
Profit bef. interest	31,569	29,087
Interest payable	5,100	4,925
Profit before tax	26,469	24,162
Taxation	12,155	10,679
Net profit	14,314	13,483
Minorities' loss	279	*42
Extraord. debits	150	1,493
Losses and prov.†	—	16,000
Transfer from res	—	16,000
Pref. dividend	11	11
Attributable ord.	14,432	11,937
Ord dividends	6,039	5,455
Retained	8,393	6,482

* Profit † Cubitts Nigeria.

See Lex

Tricentrol in £17m rights after oil cash hold-up

Tricentrol, the British-controlled international oils, gas and exploration group, is making a £16.8m rights issue.

The group is offering one ordinary share at 175p for every four held. Shareholders have been promised total gross dividends for 1979 of 8p per share, an increase of about 230 per cent on the 2.5p paid last year.

At the same time Tricentrol has announced taxable profits of £3.197m (£1.059m) for the first quarter of 1979 on group turnover £13m higher at £45.6m.

Giving the reasons for the issue, Tricentrol said it had hoped to borrow on the strength of funds to be generated by the company's interest in the Thistle field so as to maintain a satisfactory liquidity level and provide funds for new investment.

But the build up from Thistle has been slower than expected, mainly due to changed engineering considerations and to slower drilling rates than anticipated.

The likely date on which substantial funds will come to Tricentrol from the field has been delayed until mid-1981.

Tricentrol says the rights issue will also allow it to free itself from constraints arising from its Government guaranteed first borrowing facility. This debt, which has been reduced, partly with the help of the recently-negotiated £60m third facility and partly by cash flow, amounts to some £13.6m.

As a consideration for its guarantee under the first facility, the Government earns a special royalty on Tricentrol's share of production throughout the life of Thistle.

This, says Tricentrol, can only be determined once the first facility is cancelled.

If the special royalty exceeds the minimum 5 per cent of Tricentrol's share of Thistle production, the company can either pay the higher royalty or the minimum 5 per cent and commute the excess for a lump sum payment.

Tricentrol directors consider it in shareholders' interests that Tricentrol should be in a position to pay the Government debt, and therefore choose the date at which the special royalty is calculated, with a view to minimising any excess over 5 per cent.

The directors say the issue will strengthen Tricentrol's financial position and allow further investment in oil and gas projects.

A breakdown of the trading results, with reported figures for 1978 in brackets, show profits from Tricentrol Oil Corporation (United Kingdom) £2.047m (£17,000); Tricentrol Oils (North America) £797,000 (£689,000); Tricentrol Industrial Corporation (U.K. automotive and trading) £932,000 (£834,000); Tricentrol B.V. (Continental Europe) £300,000 loss (£129,000 loss) and other activities £4,000 (£39,000 loss).

On North America the company says exploration in Western Canada remains extremely active and competitive. There is still *no agreement* by the Federal Government to allow additional exports, so considerable reserves remain non-producing.

U.K. commercial activities included a 41 per cent profits increase from the automotive division, with the Ford dealerships producing outstanding results.

In continental Europe the severe weather meant sales volumes were well short of the first quarter of 1978 and all operating companies traded at a loss.

An EGM on May 18 will consider an employee share participation scheme and a resolution to increase the authorised share capital from £15m to £20m.

See Lex

Whatman Reeve downturn

The rise in sterling's value hit **Whatman Reeve Angel**, the laboratory supplies group, in 1978. Taxable profits fell from £1.36m to £1.01m, after declining from £719,000 to £652,000 at midway.

The directors say that the fall was due to a reduction in profit margins which was partly the result of exchange rate movements and partly the impact of the steep increase in fixed expenses to which the chairman referred in his annual statement.

The Board adds that 77 per cent of group sales were made overseas last year, and a large proportion was invoiced in U.S. dollars. Total turnover for the period rose from £8.97m to £10.6m.

Tax takes £411,155 (£475,767) following the change in policy on deferred tax. The comparable figure has been restated.

The dividend is lifted from 4.052p net per 25p share to 4.524p after a pegged final of 1.814p. There is also a proposed one-for-one scrip. Stated earnings per share are well down at 28.44p, against 41.86p.

Lockwoods well down at midway

INTEREST CHARGES up by some £330,000 have left taxable profits of **Lockwoods Foods** well down from £946,000 to £502,000 for the six months ended November 30, 1978. Profit for the previous year was a record £2.25m.

The directors say that, in addition, intensive price competition in the industry, which followed over production, was further aggravated by abundant cheap fresh vegetables.

With the continuance of high interest charges, they say there can be no guarantee that second half profits will be much different to the first.

However, from June onwards the group is planning further substantial reductions in operating costs which, with lower stock levels and an easing in interest rates, should help the restoration of profitability, they add.

Tax for the six months takes £266,000, compared with £502,000, leaving a net profit of £236,000 against £444,000.

Dividend of 4.11996p (3.68952p) net per 25p share was paid for the 1977/78 year.

Lockwoods is a fruit and vegetable canner.

Winn Inds. boost in second half

A GOOD second half lifted the taxable profits of **Winn Industries** from £1.3m to £1.87m in 1978 on turnover up from £19.23m to £20.75m.

At its halfway the group, whose interests include engineering, building, and freight container services, lifted the surplus from £524,000 to £646,000. The Board then said that the first-half was one of consolidation, and it looked to the future with high hopes.

The chairman now says the company has a solid foundation on which to build. The majority of the subsidiaries are performing well.

The taxable profit was struck after interest down from £216,000 to £177,000 and associated profits this time of £43,000.

Extraordinary debits are up from £48,000 to £111,000 while the attributable profit is ahead from £963,000, against £1.13m.

The final dividend of 1.781p net raises the total from 2.7951p to 3.121p per 20p share. Stated earnings per share are up from 9.7p to 11.3p.

NO PROBE

The proposed merger between EMI and United Artists Records is not being referred to the Monopolies and Mergers Commission.

York Trailer going flat out after first quarter setback

THE LOSSES at York Trailer Holdings in the final quarter of 1978 have continued into the first three months of the current year. The deficit for the first quarter amounts to £80,000 compared with a profit of £515,000 in the same period of 1978.

The directors say that the causes are well known by now with the road transport strike and secondary picketing at the centre of it all. However, industrial problems have passed for the time being and the whole group is currently enjoying a heavy inflow of new business.

Unfilled orders are substantially greater than a year ago and at all plants and throughout the whole network of the York truck equipment branches there is capacity working. The directors stress that the problem at the moment is finding enough competent new recruits for the workforce.

Container production is stimulated by a further Russian contract for £2m and export as a whole is targeted for an increase on 1978.

Sales in the first quarter were lower at £8.85m (£9.02m). The profit before tax for 1978 was £1.15m (£2.74m).

● comment

The loss at York Trailer was to be expected after disastrous first quarter operating conditions and the company must now be hoping it can take full advantage of an orders backlog to declare a respectable profit for the year. There are signs of progress on the export front, where the virtual collapse of markets in Nigeria, Turkey and Iran has been providing additional headaches, while management changes are apparently improving results at its Anthony *Carrimore plant, which was hit* by go-slows last year. Much will depend on the performance of its recently acquired U.S. truck subsidiary and the company is looking for a handsome return from this investment in 1979. York's problems will not be solved at a stroke, although the prospect that the weight limit on UK trucks could be raised to 38 tonnes allows some cause for optimism over the medium-term. Pretax profits of around £1.5m seem in reach this year which, with the share price at 50p, would put the company on a prospective p/e of 9.7.

TOWRY LAW

The largest proportion of new business won by **Towry Law**, insurance broker and financial adviser, comes from arranging and advising on executive pension schemes.

The latest analysis of commissions on new business earned for the half-year to December 31 1978, shows that such schemes represent 17 per cent of total commissions, compared with 14 per cent in the first six months of the year.

Cradley up to £128,696

Profits of **Cradley Printing** Company rose from £90,378 to £128,696 in the half-year to December 31, 1978, before tax of £63,250, against £43,700. Sales were ahead at £925,299 compared with £666,850.

In the last full-year, the taxable surplus was up from £156,100 to £165,942.

The directors say the considerable investment in new plant over the past two years is now making its impact on trading figures. They have already committed themselves to further heavy investment in new plant and machinery in the current year, and firm orders have been placed with manufacturers which will bring capital expenditure for the current year to close on £600,000.

The end of the Government's pay code will probably have some effect on percentage profitability in the second half. However, the directors expect full year results to reflect the much increased work-load.

Hestair slumps to £0.34m loss and fails to meet dividend forecast

Hestair slumped from a £4.16m taxable profit to a £341,000 loss in the year to January 31, 1979. The group which had fallen from £1.8m to £428,000 at midway had forecast a second-half recovery when it announced its £2.9m rights issue in June last year.

The company has since closed down operations to bring production more in line with sales and is confident it can make satisfactory profits and pay progressive dividends.

The dividend forecast was a casualty of the loss. At the time of the rights issue the group predicted a 6.89p net payout for the year.

The final payment of 1.1416p per 25p share makes a total of 3.5p—well down on the previous year's 6.2618p. Stated earnings per share have dived from 25p to a 3.7p loss.

The reorganisation of the group led to an extraordinary debit of £1.36m (£545,000) which made a retained loss of £2.63m, compared with £937,000 profit.

The directors say there was a marked deterioration in the second six months and only the employment bureaux operated to budget. They add there were four main reasons for the downturn.

The vehicle division suffered a substantial fall-off in every one of its major export markets. Export profitability declined and the home market, though improved, could not make up the difference. Second, the anticipated downturn in farm equipment unexpectedly deepened into the most severe recession since the war. The potato harvesting machinery was one of the worst hit areas.

The group's best hopes in the toy industry were not realised during the Christmas peak. The jigsaw business in particular suffered intense price competition. Finally, the severe winter and the lorry drivers' strike caused considerable disruption.

The company acted to reduce costs and bring capacity into line with what it could profitably sell. One of the farm equipment factories in Peterborough was closed and the vehicle factory in Leeds is being run down.

It has also closed the Hestair toys operations in London and the jigsaw factory in Manchester and has transferred its continuing stationery and jigsaw operations to Hestair Hope, Oldham.

● comment

Hestair has come a cropper after eight years of respectable growth. Although the share price had been falling steadily ahead of the full-year results, the hefty attributable loss, coupled with the missed dividend forecast, shook the market and the shares dropped a further 8p to 55p after 52p at one stage. With the exception of the employment bureaux activity, all divisions suffered sharp setbacks. The farm equipment businesses were worst hit, showing a £1.5m turnround to losses of £0.5m and reflecting a 40 per cent slump in volume sales in the wake of the worldwide recession. There was also a dramatic collapse in special vehicle exports to such countries as Nigeria, Iraq, Iran and Libya, all of which have been going through various economic and political crises. On the toys side, jigsaw sales suffered from severe competition while Kiddicraft fell short of expectations. These trading setbacks were then followed by some expensive rationalisation measures to cut out much of the dead wood—a legacy from the stream of acquisitions over the years—and the dividend has had to be met out of reserves. The payment of a dividend is clearly an expression of confidence in the future but new markets for special vehicles, which normally contribute around half of group profits, will be difficult to capture, so the recovery path could be a long one. The current yield is nearly 10 per cent.

Results due next Week

The recession in the shipping industry will be reflected in the full-year results of **Peninsular & Oriental Steam Navigation Company** and **Furness Withy**, two of the major companies on next week's Stock Exchange list. Both are due to report on Wednesday.

Analysts are expecting P & O's pre-tax profit to fall to between £10m and £12m from £42.77m, though the company will probably maintain its dividend even if it cannot cover it. Furness is likely to do slightly better, with profit estimated at between £12m and £12½m, but will still be well short of 1977's £20.7m. Furness results may be boosted by around £500,000 of ship sale profits last year while P & O's massive sales of ships and assets will help its own figures. The recent improvement in bulk rates and second-hand ship prices should also have provided some support.

Second half profits from **British Home Stores**, due on Monday, are expected to be up by about a quarter, as in the first half, to bring the full year total to around £33m (£27m). Profit growth was held back in the first half by reorganisation costs and the closure of certain food departments for conversion into non-food sales areas. Although these should have contributed to the second half, profits will again have been held back by the transport strike and bad weather in the last quarter. Hints of another six food departments being closed down could lead to suggestions that BHS might be squeezing the food side out altogether in favour of the more profitable "merchandise" section.

A strong upturn in interim profits is expected to be announced by **National and Commercial Banking Group** next Wednesday with analysts seeing a pre-tax figure around £47m as *a strong possibility. This would* compare with a 1977-78 first half profit of £26.3m and reflect primarily the strong rise in base rates, supported by a good return from associated companies and an improvement in bad and doubtful debt provisions. Analysts are, however, allowing a wide margin of error on their forecasts since it is uncertain whether the group will adopt new accounting conventions and, it is not clear what its approach to write-backs will be.

Tootal is expected to turn in a lower pre-tax figure of around £20.5m next Monday. Analysts were originally looking for more with an earlier estimate of around 1977's levels of £21.8m, but the problem now appears to be the road haulage strike which has made conditions a bit more difficult for the company. The group's acquisition efforts in the U.S. will not have made much impact yet, while the Van Allan retailing interest may also have run into some problems on account of the bad weather. Support, however, would come from *the buoyant home furnishing* side.

Results for international building and construction group, **John Laing** are generally expected to be in the region of £17m (£16m). But a less optimistic view places the full year's figure at below 1977's levels largely because of provisions necessary for Iranian works at Esfahan and its large proportion of low margin UK works. Domestic construction activities are still expected to churn out the bulk of earnings with perhaps a small improvement, but overseas earnings might head lower.

For **Wimpey Construction** (UK) estimates of its results, due next Thursday, are on a wide spread of between £45m-£55m against £51.4m in 1977. The group suffered a severe 17 per cent fall at the interim stage but is expected to show some progress in the second half. Benefits from UK private housing and commercial property development activity are expected to help narrow *down the first half's decline.*

Other results to note are preliminary figures from Laporte Industries, and interims from British Sugar Corporation and Kwik Save Discount Group.

Company	Announcement due	Dividend (p)* Last year Int	Final	This year Int
FINAL DIVIDENDS				
Alginate Industries	Tuesday	4 4677	9 4938	4.5354
Allied Plant Group	Wednesday	0 3	0 405	0 4
Altifund	Wednesday	3 0	5 3	3 3
Anchor Chemical Co	Tuesday	2 0399	2.11725	2 07
Boot (Henry) and Sons	Thursday	2.5	6 6839	2 5
Boustead	Tuesday	0 7	0 8	0 7
British Home Stores	Monday	2 8	3 4729	3 1
Canadian and Foreign Investment Tst.	Monday	1 25	2 35	1.5
Central and Sheerwood	Tuesday	0 5625	0 61445	0 675
City Hotels Group	Monday	0 30171	0.60343	0 37714
Clarke (Cement) (Holdings)	Wednesday	0.9375	1 225	1.04687
Comfort Hotels International	Monday	0 1	0 22346	0.15
Continental Union Trust	Wednesday	1.0	2.5	1 25
Davies and Newman Holdings	Tuesday	2 43474	4.86882	2 71852
Furness Withy and Co	Wednesday	3 5	4 742	3 85
Grovebell Group	Friday	0 5	0 5	0 5
Guardian Investment Trust Company	Thursday	0 75	1 95	0 9
Haden Carrier	Tuesday	2.75	5 045	3 0
Hawtin	Wednesday	—	—	—
Highcroft Investment Trust	Thursday	0 78	1 029	0.871
Hill (Charles) of Bristol	Monday	2.0	5.26	—
Hunting Associated Industries	Monday	1 35	1 62289	1 5
Laing (John)	Monday	—	—	1 0
Laporte Industries	Wednesday	2 706	4.059	3 0217
Macdonald Martin Distilleries	Wednesday	3 0	8.3	3 0
Manchester Liners	Wednesday	1.0	4.103	1 0
Minty	Tuesday	1 5	2.726	1 65
Mole (M.) and Son	Monday	—	0.4125	—
Neill (James) Holdings	Friday	2 158	3 542	2 2
Nurdin and Peacock	Tuesday	0 79	1.0629	0 87
Peninsular & Oriental Steam Navgn Co	Wednesday	3 0	[illegible]	3 0
Pentland Industries	Thursday	0 211	0.4578	0.236
Porter Chadburn	Thursday	1 452	3 81876	1.6214
Roberts Adlard and Co	Tuesday	1 588	2.7698	1.747
Save & Prosper Linked Investment Tst	Thursday	5 64	5.19†	6.54
Scottish Heritable Trust	Monday	0 43333	0.466	0 476
Shiloh Spinners	Tuesday	0 75	0.886	0 75
Spear & Jackson International	Tuesday	3 575	5.8	3.575
Tootal	Monday	0 9	1.8238	1 0
Turriff Corporation	Tuesday	—	2 3904	—
Wadham Stringer	Tuesday	0 99	1 21	1 1
Walker (J. O.) & Co.	Wednesday	0 99	2.515	1 005
Wimpey Construction (U K)	Thursday	—	0.76042	—
Wire and Plastic Products	Tuesday	0 8	1.34	0.9
INTERIM DIVIDENDS				
British Sugar Corporation	Thursday	1 65	3 854	
Kwik Save Discount Group	Friday	1 0	1 6398	
National & Commercial Banking Group	Wednesday	1.375	1.565	
Sole Guard Industrial Investments	Wednesday	1 0	3.0	
Smith and Nephew Assocd. Companies	Tuesday‡			
Ulster Television	Friday	2.0	2.3	
United Wire Group	Friday	2 0	3 237	
Wellco Holdings	Monday	0 175	0.95	
Wemyss Investment Co.	Thursday	5 0	7.5	
INTERIM FIGURES				
Harrisons Malaysian Estates	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue † Second interim. ‡ First-quarter figures.

McKechnie Bros. ahead £0.65m at midway

FOR THE half-year ended January 31, 1979, profits of **McKechnie Brothers** rose from £5.81m to £6.46m. Turnover moved ahead by £6.85m to £55.34m.

Earnings are shown at 8.8p (7.8p) per 25p share. The interim dividend is raised from 1.75p to 2p net—the total for 1977-78 was 5.53p.

	Half year 1979 £000	1978 £000
Turnover	55,337	48,488
Depreciation	1,481	986
Interest paid	591	371
Associates' profits	1,823	1,442
Profit before tax	6,459	5,805
Taxation	2,503	2,515
Extraord. debits	76	44
Minorities	133	105
Attributable profit	3,747	2,141

The appreciation on metal stocks not covered by sales contracts, and not taken into account in the interim statement is £308,000 after tax.

Companies have been adjusted to include McKechnie Delta Holdings results under associated companies, and to comply with SSAP 12 and 15.

Mr. Cecil Taylor, chairman, said the second half had started well and the directors expected full-year profits ahead of last year. First-time contributions from new acquisitions added between £100,000 and £200,000 to the interim figures. But the road haulage strike and bad weather in January had cost the group as a whole "several hundred thousands" profit.

The latest figures reflect the change in the treatment of the South African investment now treated as an associated company.

If MacKechnie had continued to consolidate its results, pre-tax returns would have been £8.05m against £7.05m last time.

The group has been concentrating on the development of its plastics and consumer productions operations with expansion and acquisition. Capital expenditure is running at between £5m-£6m a year with the major part going on plastics.

● comment

On the new accounting basis McKechnie's first half profits show an 11 per cent increase against a background of unexciting trading conditions in all the company's markets. January's bad weather and the national road haulage strike. Underlying growth is just under a tenth after stripping out acquisitions. The results reflect the group's changing emphasis away from non-ferrous metals to plastics/consumer goods, which has increased its contribution to profits from 31 to 37 per cent. As consumer demand is switching from metal to plastic products, this is clearly a trend which the company wants to encourage, so much of the UK's capital expenditure programme, amounting to roughly £5.5m this year, is being used to buy more injection moulding machines. Oil price rises will offset to some extent the benefits from any increase in copper prices but the second half will reflect the improving trading conditions in all markets. At 118p the shares yield a prospective 7.8 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Tst. ......int.	1.35	June 22	1.17*	—	3.57*
Allebone	0.98	June 15	0.8	1.33	1
Belgrave (Blackheath)	1	July 4	2.86	1	2.36
Bremner	3.1	July 6	2.8	4.2	3.82
Burrell	0.1	July 3	0.49	0.1	0.92
A. Caird	9.27	June 5	8.3	9.27	8.43‡
R. H. Cole	2.29	July 2	2.03	4.14	3.71
Antony Gibbs	1.48	—	1.48	2.2	2.2
H. Goldman	0.1	—	0.37	0.1	0.5
Hammerson Prop.	6.1	—	5.46	6.1	5.46
Hestair	1.14	—	4.15	3.5	6.26
McKechnie Bros. ...int.	2	June 8	1.75	—	5.53
Mentmore Mfg.	0.85	July 2	0.76	1.01	0.92
Scottish Ontario	1.65	July 2	1.43*	2.4	2.05*
Silhouette	2.58	—	2.54	3.32	3.27
Sunlight Service	0.94	June 16	0.78	1.34	1.14
Tarmac	6.96	—	6.23	10.95	9.89
Towles	2.36	—	1.66	2.36	1.66
Whatman Reeve	1.81	May 25	1.51	4.52	4.05
Winn Inds.	1.78	June 15	1.61	2.8	3.12

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes supplementary 0.1259p for 1977/78 now payable.

BIDS AND DEALS

Beazer builds up land holdings

C. H. Beazer (Holdings), the commercial, industrial and residential developer and contractor, has bought three private companies, the Smith Group, a housebuilder based in the Southwest of England, in a deal worth £4.33m.

The three companies which make up the group are D. R. Dunthorn and Son, R. M. Smith (Properties) and R. M. Smith.

The purchase will give Beazer a housing land bank of about 2,700 plots, together with about 24 acres of industrial land, which is located near Beazer's own centre of operations.

The consideration is to be satisfied by the issue of 1.93m ordinary shares of Beazer and the balance will be settled in cash.

Smith Group's balance sheet at March 31, 1978, showed aggregate net assets of £1.37m; and audited pre-tax profits for the year amounted to an aggregate £396,000.

About one-third of the Smith Group's holdings of tenanted properties were sold recently for £810,057 and a similar proportion is now under contract to be sold.

JAMES WARREN

Warren Plantation Holdings has paid the maximum additional cash consideration of £523,000 to the former shareholders of Joseph Mason.

When Warren acquired Mason it was agreed the additional consideration would be paid if Mason's profits exceeded £700,000. For 1978 they came to £862,000.

COPE SPORTS SPENDS £1.7M

Cope Sportswear has acquired Associated Weavers (Fabrics) from Associated Weavers (International) in a £1.7m cash deal, payment being met from existing resources.

Weavers (Fabrics) is a manufacturer of woven velvets and knitted pile materials used in the clothing, footwear, furniture and motor vehicle industries. Its factories are based in Yorkshire and Lancashire.

Net assets in its last balance sheet at November, 1978 amounted to £1.51m.

Weavers (Fabrics) has made up its first audited accounts for the period May 1, 1978 to November 26, 1978 and has reported pre-tax profits for that period of £343,634.

REDLAND

Sarasota Engineering, a subsidiary of Redland, will purchase the capital of J. Agar Instrumentation of Alresford, Hampshire and J. Agar Instrumentation Inc. of Houston, Texas, subject to Bank of England approval.

The Agar companies design and manufacturing systems used for the measurement of density and flow of liquids and gases.

Harris Queensway moving into DIY improvement

Harris Queensway, the carpet retailer and discount furniture supplier, is forming a new do-it-yourself home improvement division.

In doing so Harris Queensway has brought in Mr. L. A. Davis, who is currently managing director of Timberland, a subsidiary of Comet Radiovision Services. Mr. Davis and Mr. G. G. Rees currently merchandising director of Timberland, will both join the group on June 1.

Earlier this year it had seemed possible that Harris Queensway might acquire Timberland, which was formerly the retail end of Caledonian Holdings, the Stenhouse offshoot which came to the market this year.

But that intention came to an end when Comet eventually acquired Caledonian after a battle for control with London and Midland Industrials.

The homecentres which will be created by Harris will trade under the name of Harris Homecare.

The new home-improvement division will create a network of home improvement centres throughout England and Scotland.

About four of the group's existing Queensway discount stores will be divided to accommodate home improvement centres and the group said yesterday that "a significant number of further sites are already under negotiation."

In addition the group has agreed to purchase for £1m in cash a 32,000 square foot home improvement store in Baillieston, Glasgow, presently trading as Monteith DIY Superstore. The building stands on about 4.6 acres of freehold land, and it is the group's intention, subject to planning consent, to construct an additional 40,000 square foot building to accommodate a Queensway discount store. The group will also purchase the stock in the superstore at cost.

Harris said yesterday that "the purchase is significant as a first step in the creation of the group's new home improvement division and it is anticipated that the turnover of the superstore will be about £1.8m in its first year as part of the division."

COURAGE EXPANDS OFF-LICENCES

Saccone and Speed, the wines and spirits division of Courage, has acquired Roberts and Son, an off-licence chain on the south coast, and its associated companies.

Saccone and Speed sees the purchase as a further step in its expansion programme in the specialist off-licence field, and says Roberts will maintain its identity.

Roberts has its headquarters and warehouse in Worthing and 60 branches along the south coast. Saccone and Speed Retail operates a chain of 318 shops.

Mr. Michael Cottrell, managing director of Saccone and Speed, said: "The Roberts off-licence chain fits in very well geographically with our own and appreciably strengthens our coverage in Southern England."

Lilley deal with Whitecroft

F. J. C. LILLEY, the civil engineer and public works contractor, is to buy the capital of Z. and W. Wade, and its wholly owned subsidiary George Longden Construction, for £1.37m cash, from Whitecroft, the textile, building and engineering group.

The contract of sale and purchase is conditional upon the net tangible assets of Wade and Longden at March 31, 1979 being not less than £1m, and the consolidated net profit before tax being a minimum £200,000 for the year ended on that date.

Profit before tax of Wade for 1977-78 was £272,000. Longden commenced trading after March 31 1978.

The door manufacturing and joinery side of Longden's business will, prior to completion, be transferred to a Whitecroft subsidiary to be known as Longden Doors, and will be retained by Whitecroft. In addition, Whitecroft will continue to own George Longden Estates which trades as a housebuilder and developer, mainly in Yorkshire.

ISAAC WALTON

Almost 52 per cent of shareholders in Isaac Walton, the Newcastle-upon-Tyne tailor and outfitter, have accepted the £210,000 cash *bid from* the North Shields-based retail group Peters Stores.

F. H. LLOYD

Following detailed studies by F. H. Lloyd Holdings and Cooper Industries of the project to develop a new Mini-Mill at James Bridge, the two companies have agreed that the mill will be owned by F. H. Lloyd, a subsidiary of Lloyd Holdings, and will be operated in close liaison with Lloyd Cooper.

Lloyd Cooper is jointly owned by Lloyd Holdings and Cooper Industries and operates the partners' existing Mini-Mill at Pear Tree Lane, Dudley.

SPENKLIN GRP.

The Spenklin Group, manufacturer of hydraulic workholding equipment, shock absorbers for military use, and foundry machines, has been acquired by Commercial and Industrial Securities.

This gives Spenklin a sound financial base and fits well into the CIS *other* engineering activities.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take over bids and mergers

Kitchen Queen, the furniture retailer and manufacturer which came to the market last November, *is making an agreed bid for the Rochdale-based carpet retailer*, **Knott Mill** on the basis of 31 Kitchen Queen shares for every 22 Knott Mill. A cash alternative is available.

Brown and Jackson, the building and civil engineering contractor, is to acquire for £490,000 cash, 75 per cent of the Ordinary capital of **Autoguard Extended Warranties**, which markets warranties on motor vehicles to major UK garage outlets. Brown and Jackson will also issue 250,000 10½ per cent preference shares to Autoguard and could make further deferred cash payments to the vendor of up to £1.56m over the next three years if warranties are met. Brown and Jackson also agreed to purchase 80 per cent of the ordinary shares of footwear concern Grakochus for £1.5m cash.

Bodycote International is to buy a private engineering company, **Blandburgh**, *for an initial consideration of £1m and a maximum further £1m over the next three years depending on profit performance.*

Dealings in **Reabrook Investment Trust** were temporarily suspended pending the *announcement of plans to acquire* **Arrow Chemicals** for a total consideration of £2.5m in cash and shares at the pre-suspension price of 53p. Reabrook expects to lose its investment trust status, and proposes to change the name of the enlarged group to Arrow Chemicals Holdings.

Olympia and York Development's 60p per Ordinary share cash offer for **English Property** is now *unconditional following 93 per cent acceptance.*

Acceptances received by **HAT** in respect of the *offer for* **Glass and Metal** amount to 91.98 per cent and the Ordinary offer is unconditional.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Caledonian Holdings‖‖	183§§	181	169	13.6	Comet Radiovision	—
Collett Dickenson	118*§	114	85	2.95	Hambros	—
Common Bros.	200*§	230	220	3.99	Br. & Comwlth. Shipping	—
English Prop.‖‖	60*	60	54	57.3	Olympia & York Dev.	23/4
Farm Feed	95*§	93	94	1.08	Consortium	—
Glass & Metal‖‖	153§§	143	130	6.04	HAT	25/4
Jhnsn. Richards Tiles‖‖	167§§	166	109	36.5	Norcros	—
Knott Mill	67¼	61	27	2.33	Kitchn. Queen	—
Lindsay & Wms.	128*§	120	107	0.99	RFD	—
Scot. & Univ. Invs.	194§§	194	204	42.7	Lonrho	—
Smith Wallis	185§§	175	148	1.85	R. Cartwright	—
Wilmot-Breeden	115*§	114	107	16.7	Rockwell	11/5
Wolverhampton Steam Laundry	12*§	21	16½	0.09	Mr. I. H. Silk	27/4

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on April 27, 1979. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ‖‖ Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Common Bros.	Apr.‡	177L	(23)	4.0	(2.0)
Cooper (F.)	Jan.	293	(252)	0.33	(0.33)
Dowding & Mills	Dec.	1,040	(810)	0.59	(0.54)
Hoover	Mar.†	619L	(2,400)	—	(—)
Lawrence (W.)	Dec.	517	(528)	1.8	(1.8)
Linread	Jan.	107	(189)	1.0	(1.0)
Long and Hambly	Feb.	280	(325)	0.12	(0.11)
MY Dart	Dec.	810	(722)	1.0	(0.91)
RCF Holdings	Jan.	213	(120)	0.88	(0.88)
Simpson (S.)	Jan.	922	(840)	1.31	(1.31)
Spencer Gears	Dec.	123	(108)	0.25	(0.10)
Tyzack (W. A.)	Jan.	216	(118)	0.5	(0.36)
Wade Potteries	Jan.	530	(360)	0.49	(0.44)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † For 15 months. ‡ For eight months. § Profit after tax. ¶ First quarter figures.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alpine Holdings	Jan.	1,915	(930)	10.6	(4.5)	2.76	(3.47)
Amal. Metal	Dec.	8,531	(6,121)	39.0	(34.0)	16.4	(15.81)
Amal. Power	Dec.	3,670	(3,360)	38.4	(35.0)	5.9	(5.28)
Bamfords	Dec.	642	(976)†	8.4	(12.9)†	1.94	(2.2)†
Bestobell	Dec.	4,900	(5,490)	27.0	(23.5)	9.61	(9.52)
Bodycote Hldgs.	Dec.	2,060	(2,040)	20.7	(18.1)	3.03	(2.72)
Brook Street	Dec.	1,910	(800)	5.9	(3.5)	3.1	(2.8)
Camrex	Dec.	42	(1,960)	8.4	(11.5)	4.02	(3.96)
Chesterf'ld Props.	Dec.	2,230	(1,780)	11.7	(8.8)	4.46	(4.03)
Cope Sportswear	Dec.	505	(434)	3.1	(1.6)	0.2	(0.18)
Copydex	Dec.	423	(201)	7.9	(7.7)	2.46	(2.24)
Corinthian Hldgs.	Dec.	568	(505)	9.2	(6.5)	1.05	(0.7)
Danish Bacon	Dec.	1,040	(1,710)	24.0	(41.0)	6.69	(6.64)
Elbar Indl.	Dec.	2,200	(2,070)	64.2	(84.2)	10.0	(8.0)
Elec. and Indl.	Dec.	1,819	(1,408)	7.9	(6.2)	3.29	(2.99)
Ellis & Goldstein	Jan.	1,820	(1,230)	6.1	(4.2)	2.13	(1.82)
Farm Feed Hldgs.	Jan.	325	(93)	12.2	(—)	1.34	(0.66)
Farnell Elec.	Jan.	4,050	(3,120)	31.1	(23.7)	7.37	(6.6)
Flight Refuelling	Dec.	1,910	(1,480)	16.0	(12.5)	3.6	(2.85)
Fogarty (E.)	Dec.	2,705	(1,840)	50.7	(27.4)	4.83	(2.55)
Foseco Minsep	Dec.	17,063	(14,316)	19.4	(17.4)	5.11	(4.58)
Gerrard & Natnl.	Apr.	5,000§	(5,710)§	—	(—)	9.12	(8.23)
Grampian TV	Feb.	406	(372)	8.7	(5.8)	2.86	(3.2)
Harrison (T. C.)	Dec.	3,050	(2,320)	19.7	(15.7)	4.82	(3.38)
Home Charm	Dec.	2,107	(1,304)	24.4	(14.3)	5.0	(3.62)
Hopkinsons Hldgs.	Feb.	2,300	(4,276)	9.8	(17.9)	5.65	(5.06)
Hoskins & Horton	Dec.	870	(607)	22.5	(15.8)	10.39	(5.17)
Hoveringham	Dec.	4,860	(3,554)	12.2	(10.4)	2.32	(2.08)
J. B. Holdings	Dec.	2,810	(2,700)	17.4	(12.6)	1.47	(1.06)
Jessel Toynbee	Mar.	940	(1,300)	—	(—)	3.65	(3.27)
Lond. & European	Dec.	913	(353)	4.7	(2.7)	1.1	(0.5)
London Utd.	Dec.	3,840	(3,290)	21.5	(17.0)	5.31	(4.21)
Lowland Drapery	Dec.	179	(220)	4.5	(5.4)	3.6	(3.47)
Martin-Black	Dec.	179	(208)L	2.0	(—)	2.0	(4.0)
MDW	Dec.	1,070	(671)	8.8	(5.3)	3.01	(2.7)
Menzies (John)	Feb.	5,940	(4,740)	34.8	(19.6)	3.4	(2.35)
Mowlem (John)	Dec.	5,920	(6,120)	27.9	(29.6)	7.26	(6.5)
Newarthill	Dec.	9,260	(11,550)	27.4	(34.0)	5.32	(4.84)
North (M. F.)	Dec.	743	(582)	2.3	(1.5)	0.58	(0.46)
Office & Electrnic.	Dec.	2,270	(1,930)	17.5	(15.2)	4.6	(4.12)
Oxley	Dec.	1,553	(1,409)	20.4	(23.5)	2.76	(2.49)
Perry (Harold)	Dec.	3,760	(2,770)	34.3	(31.4)	3.69	(2.69)
Provident Financl.	Dec.	10,730	(9,540)	13.8	(11.1)	5.44	(4.92)
Revertex	Dec.	2,531	(2,815)	4.9	(10.0)	3.44	(3.44)
Rchdsns. Wstgth.	Dec.	638L	(2,000)	—	(7.6)	2.55	(4.53)
Rowan & Boden	Dec.	604	(430)	14.9	(13.6)	1.47	(1.32)
Rugby Portland	Dec.	14,507	(13,822)	8.4	(8.2)	3.96	(3.51)
Sandeman (Geo.)	Dec.	1,770	(1,400)	9.0	(5.4)	2.54	(2.31)
Siemssen Hunter	Dec.	1,120	(814)	9.4	(8.0)	3.12	(2.79)
Silentnight	Jan.	4,118	(3,230)	25.7	(18.8)	3.65	(2.67)
Simon Engrg.	Dec.	16,606	(14,322)	42.6	(37.0)	9.07	(7.84)
Smith St. Aubyn	Apr.	1,490§	(1,950)§	—	(—)	5.55	(5.01)
Spillers	Feb.	14,730	(8,490)	6.7	(3.6)	2.04	(1.35)
Telephone Rentals	Dec.	10,920	(9,554)	13.6	(11.6)	6.52	(5.9)
TKM	Dec.	7,630	(5,520)	11.9	(10.4)	3.49	(3.1)
Travis & Arnold	Dec.	4,690	(3,790)	32.3	(23.5)	4.26	(3.81)
Utd. Carriers	Jan.	2,850	(2,250)	16.2	(13.1)	2.93	(2.34)
Vickers	Dec.	11,701	(25,061)	13.6	(30.2)	9.81	(9.81)
Wight Constn.	Jan.	583	(573)	23.6	(20.7)	8.25	(7.5)
Wood and Sons	Dec.	183	(253)	3.7	(5.8)	1.67	(0.66)

Scrip Issues

Farnell Electronics: Three for two.

Flight Refuelling: One for two.

Grampian Holdings: One new non-voting "A" share for 20p nominal in management, ordinary and non-voting "A" shares.

Harrison (T. C.): One for one.

Home Charm: *Five for two.*

North (M. F.): One for one.

Silentnight: One for two.

Wight Construction: One for two.

INSURANCE BASE RATES

† Property Growth	11¼%
† Vanbrugh Guaranteed	10.12%

† Address shown under Insurance and Property Bond Table.

Litigation cuts back Petrocon

A LITIGATION *settlement* amounting to £349,357 against £25,000 last time, has left taxable profits of **Petrocon Group** well down from £685,258 to £246,801 for 1978. Turnover was up slightly from £10.12m to £11.2m.

At half-way profits had fallen from £337,000 to £236,000.

Turnover in the two manufacturing companies rose by 17 per cent and Ham Baker again made the largest contribution to group profits, directors state.

Results of the service companies, however, did not come up to expectations and all traded well below their potential.

Towards the end of the year a number of new products were introduced and the effect of these is beginning to be seen, they say.

The improved trading of the second half has carried through *into 1979 and the group has* made an encouraging start to the year, but again the *directors say* much will depend on the group's continued ability to compete in export markets.

Direct exports amounted to £4.03m (£3.04m) in 1978.

The litigation settlement refers to the lawsuit against Offshore Drilling Supplies and Petrocon Group in Texas, U.S. The full settlement sum, of which a material amount is on delayed payment terms, has been charged with all associated costs and full corporation tax allowance is reflected in the tax charge; group figure for the year was £94,521 (*£186,013*) *leaving an* attributable profit of £152,280 compared with *£499,245*.

Earnings are shown to be 2.58p *(8.45p) per 12½p share and the* dividend is maintained at 4.5115p *net with an unchanged* final payment of 3.3601p.

Retained profits came out at £977,091 (£1.09m) after dividends £266,402, and prior year adjustments of £1.3m (same) relating to a change in accounting policy for goodwill arising on acquisitions.

In future, to comply with SSAP 14, goodwill will be computed on the basis of the fair value of assets and liabilities acquired, the directors state.

Burrell's £486,000 turnround to loss

BURRELL AND CO., the chemical pigment maker, turned *in a loss of £271,506 for the* second half of 1978. This has *more than wiped out the first-*half profit and leaves a deficit for the year of £185,506 compared with a profit of £300,741.

Apart from heavier interest and depreciation the result was struck after compensation of £41,000 paid to Mr. Graham Burrell the last of the family directors, who resigned from the board in August, 1978. This payment covers about two years of his contract.

Mr. M. C. Ashworth, the chairman, says that the result is in line with the outlook foreshadowed in the interim statement last October. As a result the directors feel it prudent to cut the dividend from *0.924p* to a nominal 0.1p.

After a tax credit but allowing *for extraordinary debits of £118,764*, there is an attributable loss of £173,990.

	1978 £	1977 £
Turnover	9,461,642	9,256,746
Home	6,352,020	6,221,209
Export	3,109,622	3,035,537
Trading profit	344,319	669,148
Depreciation	296,036	240,031
Interest payable	196,415	78,526
Currency loss	3,626	149,200
Provision	—	660
Compensation	41,000	—
Loss before tax	185,506	†300,741
Taxation	130,280	—
Extraordinary items	118,764	—
Dividends	34,825	262,223
Loss	208,815	138,518
†Profit		

In January Croda International announced that it had acquired a 7.8 per cent stake in the company. Croda did not rule out the possibility of a bid for Burrell some time in the future but this would depend on the approval of the Burrell board. Mr. Ashworth said at the time that the company would prefer to stay independent.

● comment

After the midway warning, the loss at **Burrell** comes as no real surprise but even the decision to pay only a nominal dividend barely affected the shares, down ½p to 12½p yesterday. Croda's near 8 per cent *stake may have* a bearing on this somewhat *surprising solidity* and, to a lesser extent, assets of around 16p per share may also help. But the group now seems confident that severe margin erosion has been reversed. A price rise of 8 per cent has been posted this month and should stick now that the shock waves of the oil crisis have reached the dominant West German pigment manufacturers. A similar increase will be sought in about six months. That still *leaves some way to go in margins* recovery but the benefits of the *Matlock factory closure should* start working through this year *and the Barnfield closure is* expected to play its part in 1980. Over the longer term, Burrell is coming round to the view that many of the majors are preparing to leave certain areas of the pigment industry and subcontract to the specialists in which case the days of cut throat, even suicidal, competition may be numbered.

Towles' 42% boost in dividend

A £114,303 increase in profit to £862,226 is reported by Towles for the year ended February 28, 1979. The company, which makes hosiery and knitwear, also announces a 42 per cent dividend boost.

After tax £276,897 (£332,575), the net profit is up from *£415,348* to £585,329, and this year there *is an extraordinary credit of* £216,728. The accounting method *for tax has been changed, and* comparisons have been restated.

Earnings per 10p share are up from 16.87p to 23.95p, and the dividend is raised by 0.697p to 2.38p.

Relocation cuts back R. H. Cole

A FURTHER *fall in the second* half of 1978 left taxable profits of **R. H. Cole**, *chemicals, plastics*, electronics group, virtually halved *at £667,000 for the full* year compared with a previous £1.3m.

The directors say that the adverse *performance was largely* due to the relocation of Cole Plastics *to new premises*, with increased production capacity, at Milton Keynes.

At halfway profits had dropped from £789,000 to £471,000 and the directors said that level of performance achieved in the first six months was unlikely to be matched in the second period.

Turnover for the year was virtually unchanged at £23.4m (£23.6m).

After SSAP 15 adjusted tax of *£194,000 against £790,000* earnings are shown as 15.9p (16.8p) per 25p *share*, and the *dividend* is lifted to 4.14p (3.71p) net with a final *of 2.29p*.

The attributable balance came out at £291,000 (£508,000) after an extraordinary debit of £164,000 (£29,000 credit).

Belgrave (Blackheath) £55,000 loss

The directors of **Belgrave (Blackheath)**, *manufacturer of* steel forgings, and nuts and *bolts, reports* a £355,362 turnround from a profit of £300,052 to a loss before tax of £55,310 for the year ended January 31, 1979.

The dividend for the period is cut from 2.85p to 1p net per 25p share. The loss was reduced to £25,131 (£149,950 profit) with a tax credit of £30,179 (£154,102 charge).

Allebone advances to £0.44m

FOLLOWING its £99,000 turnround at six months, **Allebone and Sons**, footwear manufacturer and retailer, advanced further in the second half and finished the January 31, 1979 year with taxable profits *ahead from* £228,000 to £437,000. Turnover *for the full period rose from* £11.16m to £14.34m.

Profits of £93,000 (£6,000 loss) were reported at the interim stage and the directors said that figures for the second half should be satisfactory.

Results for the first quarter of the current year however have been poor with severe weather conditions adversely affecting sales. And the recent increase in the price of leather *has restricted profit margins of* the manufacturing division, the directors state.

Nevertheless, they say they are looking for an improvement in the remainder of the year and expect the outcome for the full period to be satisfactory.

Earnings per 10p share are stated as 5.28p (2.66p) and the dividend total is lifted to 1.33p (1p) net with a 0.98p final payment; Treasury approval is being sought for the increase.

Watmoughs sees record year

Mr. Patrick Walker, chairman of Watmoughs (Holdings) told the AGM that in the first three months of the current year turnover had increased by some 25 per cent. This compared with an increase of about 20 per cent *for the first three months of* 1978.

EUROPEAN OPTIONS EXCHANGE

Series	July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C F.354.90	-	-	3	25		—	F.377
ABN C F.364.90	4	15.20	-			-	"
ABN C F.374.90	6	4.30	3	5.50			"
AKZ C F.27.50	1	3.50	—		—	-	F.30.40
AKZ C F.30	47	1.60	-				"
AKZ C F.32.50	10	0.80	5	1.50	10	2	"
ARB C F.80	—	—	6	1	-	—	F.74.90
EK C $70			—	—	1	3	$64
HO C F.30	1	3	—			—	F.32.30
HO C F.32.50	—	—	23	2.60	—	—	"
HO C F.35	-	—	5	1.60	—	—	"
IBM C $320	4	8	1	16	—	—	$308½
KLM C F.100	6	16.50	16	18.80	-	—	F.115.50
KLM C F.110	26	9.60	4	11	—	-	"
KLM C F.120	90	4.20	56	6.20	4	8	"
KLM C F.130	31	1.60	4	3.30	—	—	"
KLM C F.140	6	0.50	—	—	—	—	"
KLM P F.100	—	—	4	0.80	—	—	"
KLM P F.110	30	2	25	3.50	—	—	"
KLM P F.120	—	—	—	—	37	7.50	"
NN C F.110	15	6	1	7.50	—	—	F.114.70
NN C F.120	—	—	2	2	—	—	"
PHI C F.22.50	3	3.60	—	—	—	—	F.26.10
PHI C F.25	70	1.60	194	2.30	25	2.60	"
PHI C F.27.50	20	0.40	47	0.90	29	1.20	"
PHI P F.27.50	—	—	—	—	4	2.40	"
PRD C $40	—	—	5	1½	—	—	$34½
PRD P F.45	—	—	10	¾	—	—	"
RD C F.120	50	19.30	—	—	—	—	F139.60
RD C F.130	24	9.70	—	—	—	—	"
RD C F.135	5	4.40	—	—	—	—	"
RD C F.140	37	2	141	3	5	4	"
RD P F.135	1	2.50	—	—	—	—	"
RD P F.140	20	5.50	—	—	—	—	"
UNI C F.130	—	-	13	3.20	5	4.30	F.129.80
XRX C $60	-	—	6	5	-	—	$58½
	May		Aug.		Nov.		
BA C $40	2	3	5	5½	—	—	$42¼
BA C $45⅝	10	⅝	27	2	—	—	"
SLB C $65⅝	2	8½	—	—	—	—	$74¼
TOTAL VOLUME IN CONTRACTS					1245		

C=Call P=Put

Anglo-Vaal exploring new SA gold area?

AGAINST THE background of *rising gold prices, virtually all* the prospecting effort for new *gold mines in South Africa has* been targeted on extensions to existing gold fields, *reports* **Jim Jones from South Africa**. But, according to a report in Johannesburg's Financial Mail, the **Anglo-Transvaal** group has carried the search away from the main production centres amid increasing speculation that several new mines could eventuate by the mid-80s.

For several years, Anglo-Vaal has been drilling shallow prospect holes over ground to the west of the Transvaal town of Nelspruit—an area which was the scene of a gold rush even before the Witwatersrand mines were discovered. Prime targets are the Black and Dominion reefs which, with technical capacity then available, could not be worked on a large scale a century ago.

Near the village of *Kaapse* Hoop, the Black reef outcrops and *geological investigations* a few years ago revealed that *where it was developed* (in the geological sense), gold values *averaged* 7 *grammes per* tonne over reef widths of around 150 *centimetres. In one section* an outstanding gold value of 228 grammes per ton over 45 centimetres was disclosed.

And while the Black reef does not normally contain uranium on the Witwatersrand, geological reports on the area near Kaapse Hoop put uranium grades at between 0.1 and 0.2 kilogrammes per tonne, grades which are in line with those at the **Harmony** mine in the Orange Free State.

Anglo-vaal, in conjunction with its minority partner, **Anglo American Corporation**, has put together a block of 15 farms *covering some* 90,000 hectares—an area similar to that currently being opened up by **Union Corporation** south of the currently operating mines in the OFS.

At this stage, neither Anglo-Vaal *nor* Anglo-American is prepared to comment on activities. *But with larger drills* now moved into the area, the houses should be in a position to report on progress by the year-end.

Current drilling is apparently aimed at defining payable zones on the two reefs, both of which are mineralised in relatively clearly defined shoots. Of especial interest are the areas in which the Dominion reef sub-outcrops against the Black reef and where gold and uranium grades are likely to be more than significant.

Details of the agreement between the two houses are being kept under wraps, but as the lead company, Anglo-Vaal is entitled to management of at *least the first of any mines* established.

Should these be small, say only 20,000 tons per month mill *throughput*, management would be given to the Anglo-Vaal group's Eastern Transvaal Consolidated which operates three small mines outside the nearby town of Barberton. Anything larger than this, reckons the Financial Mail, would be turned over the **Middle Wits** for financing.

Hammerson passes £6m mark

PRE-TAX profits of **Hammerson Property and Investment Trust** rose from £4.89m to £6.16m for 1978 after being ahead at half-way from £2.19m to £2.92m.

Earnings per 25p share are shown as 11.58p against 9.27p previous, and the *dividend is* increased to 6.007p compared with 5.46p.

Tax for the year took £3.07m *(£2.43m) and minorities £1.21m* against £964,323. There was an *extraordinary* income for the period, up from £1.9m to £2.3m.

The available balance came out at £1.71m compared with £1.3m *after deferred interest* and other development outgoings of £2.47m (£2.2m) were written off.

CORAL INDEX: Close 546-551

WORLD STOCK MARKETS

Further early fall on Wall St.

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—58¾% (62¼%)
Effective $2.0550 25½% (27¾%)

FURTHER LOSSES were recorded on Wall Street yesterday, reflecting renewed concerns about growth of the money supply and continuing inflationary pressures. The Federal Reserve signalled some tightening of credit following a sharp jump in the money supply.

Closing prices and market reports were not available *for this edition.*

By 1 pm the Dow Jones Industrial Average was down another 4.77 to $856.20, for a net loss of 0.78 on the week, while the NYSE All Common Index, at $57.26, shed 26 cents on the day but was still up 17 cents on the week. Losses led gains by a nine-to-four majority, while the trading volume decreased 985,000 shares to 21.33m compared with 1 pm on Thursday.

General Public Utilities shed another $¾ to $10½ on its cut dividend. But Duke Power regained $¼ to $16¾ in active trading—it agreed to a Nuclear Regulatory Commission request to shut down one nuclear plant tomorrow and the other two next month for safety modifications.

Charter Company jumped $3 to $18¾ before a trading halt—it is seeking to acquire the balance of Carey Energy Company.

THE AMERICAN SE Market Value Index shed 0.10 to 183.33, reducing its rise on the week to 2.51.

CANADA — Markets were broadly mixed in fairly active trading yesterday morning, with the Toronto Composite Index unchanged at 1480.4.

The Gold Index Share Index spurted ahead 73.1 to 1634.3. *Dome Mines climbed $7¾ to* $112¾—Dome Petroleum will make a block offer for 650,000 Dome Mines shares at $120 each.

PARIS—Mixed in very quiet *trading* ahead of a weekend likely to be effectively extended by Tuesday's Labour Day holiday.

Motors steady. Machineries eased. Department Stores and Oils firm.

Nouvelles Galeries Reunies *rose* FFr 2.80 to 123.80 on sharply increased 1978 profits.

Alsthom Atlantique advanced FFr 4.10 to 67.30 on higher profits, while Poclain moved up FFr 13 to 199 on sharply reduced losses.

U.S. shares weaker. Dutch and *Germans slightly firmer. Golds* mixed. Coppers eased.

BRUSSELS—Mixed to mostly higher in quiet trading.

Market closed Monday and *Tuesday for May 1 holiday.*

AMSTERDAM—Mixed, with Dutch Internationals firmer led by Hoogovens, up Fl 2 to 32 on Estel's expectation of considerable improvement in 1979 results.

GERMANY—Mixed trend.

Activity centred on Chemicals, which made gains of up to DM 1.20.

Stores fell. Kaufhof shed DM 1.50—its higher 1978 dividend and 100-year Anniversary Bonus totalling DM 8, up from a DM 6 dividend for 1977, came too late to affect trading.

SWITZERLAND—Mixed on large volume, particularly in special situation stocks.

MILAN—Mixed in fairly active trading.

Bonds steady, with nearby maturities active.

HONG KONG—*Steady to* slightly higher in continued dull and featureless trading.

TOKYO—Higher in active trading with Resources and *Export-Orientated issues leading.* Volume 450m (470m) shares.

Oils, Coals and non-Ferrous Metals rose.

Interest revived in Vehicles and Cameras, *reflecting* dollar appreciation in Tokyo.

Shipbuildings and Shippings lower on profit-taking.

AUSTRALIA — Firmer in *moderate trading.*

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Duke Power	776,900	16½	−1⅛
Fair. Camera	770,300	32¾	−8½
Gen. Pub. Utilits.	610,200	10½	−1⅝
Gulf Oil	485,000	27⅞	—
Ramada Inns	422,500	12½	−⅛
Rollins	378,500	19	−⅞
Amer. Tel. & Tel.	342,900	59	−½
Texaco	338,400	27¾	—
Occidental Petlm.	310,600	21½	−⅜
Southern	308,400	13½	−¼

Indices

NEW YORK —DOW JONES

	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 20	April 19	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	860.97	867.46	866.36	860.10	856.92	855.25	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.01	84.14	84.24	84.15	84.12	84.14	85.90 (2/2)	84.01 (26/4)	—	—
Transport.	231.34	232.81	232.52	231.11	231.01	231.69	255.25 (10/4)	205.78 (27/2)	278.36 (7/2/69)	12.23 (8/7/32)
Utilities	101.75	102.20	102.27	102.35	102.74	102.35	104.94 (9/4)	98.10 (2/1)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	32,520	31,780	26,670	25,460	23,660	31,550	—	—	—	—

◆ Day's high 868.02 low 856.71

Ind. div. yield %	Apr. 20	Apr. 12	Apr. 6	Year ago (approx)
	5.78	5.68	5.65	5.75

STANDARD AND POORS

	Apr. 26	Apr. 25	Apr. 24	Apr. 23	Apr. 20	April 19	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	114.05	114.37	114.13	113.35	112.93	112.95	116.68 (5/1)	107.08 (27/2)	134.64 (11/1/73)	3.53 (30/6/32)
‡Composite	102.61	102.50	102.20	101.57	101.25	101.25	103.54 (10/4)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	April 25	Apr. 18	April 11	Year ago (approx).
Ind. div. yield %	5.06	5.10	5.08	5.02
Ind. P/E Ratio	8.71	8.60	8.67	9.16
Long Gov. Bond Yield	9.11	9.04	9.06	8.59

N.Y.S.E. ALL COMMON

Apr. 26	April 25	Apr. 24	Apr. 23	1979 High	1979 Low
57.52	57.80	57.62	57.29	58.18 (10/4)	53.88 (27.2)

Rises and Falls

	Apr. 26	April 25	Apr. 24
Issues Traded	1,867	1,886	1,914
Rises	514	765	904
Falls	907	646	558
Unchanged	446	475	452
New Highs	—	65	62
New Lows	—	31	21

MONTREAL	Apr. 26	April 25	Apr. 24	Apr. 23	1979 High	1979 Low
Industrial	246.15	247.58	246.29	244.92	250.91 (27/3)	219.13 (2/1)
Combined	251.21	250.60	248.40	248.31	251.21 (8/4)	225.60 (2/1)
TORONTO Composite	1480.4	1490.6	1469.5	1465.0	1490.6 (26/4)	1315.0 (2/1)
JOHANNESBURG Gold	252.0	251.7	249.8	244.3	290.7 (7/2)	228.4 (17/4)
Industrial	318.5	317.3	315.2	315.1	323.0 (5/4)	278.5 (2/1)

	Apr. 27	Previous	1979 High	1979 Low
Australia (*)	572.47	568.44	651.63 (19/3)	545.32 (3/1)
Belgium (‡)	107.08	106.78	107.69 (24/4)	96.60 (3/1)
Denmark (**)	95.15	96.31	96.36 (20/4)	88.32 (2/1)
France (‡‡)	80.9	80.6	81.4 (24/4)	71.6 (15/2)
Germany (‡‡)	784.9	784.5	839.9 (16/1)	774.2 (26/4)
Holland (§§)	77.0	76.8	79.9 (24/1)	70.8 (21/3)
Hong Kong (ee)	550.64	528.00	558.30 (6/2)	493.23 (2/1)
Italy (i)	74.35	74.28	78.45 (5/3)	66.68 (3/1)
Japan (a)	451.46	449.25	462.97 (31/1)	435.22 (10/4)
Singapore (b)	352.16	351.88	367.46 (11/4)	346.34 (26/3)
Spain (d)	100.75	100.74	111.24 (8/1)	93.03 (12/1)
Sweden (e)	355.48	354.66	401.52 (6/2)	355.46 (27/4)
Switzerld (f)	324.4	322.4	334.4 (27/4)	294.0 (5/1)

Indices and base dates (all base values 100 except NYSE All Common—50. Standards and Poors—10; and Toronto 300—1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. * Sydney All Ordinary. ‡ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ||| Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

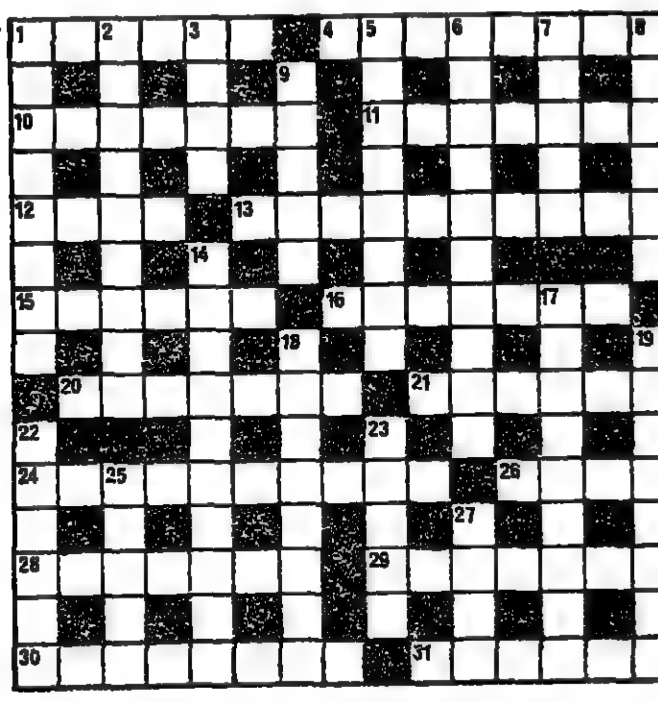
F.T. CROSSWORD PUZZLE No. 3,958

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



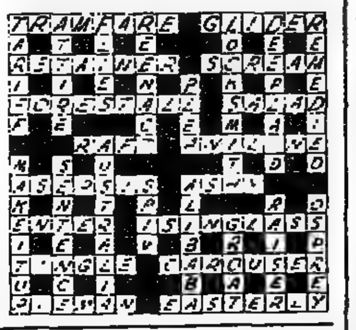
ACROSS

1 Attractive dismissal at end of May (6)
4 Deliberate swindle by partisan (8)
10 Blessing coming to peak in *Scotland on one boy (7)*
11 Joy returning number one story (7)
12 Model seen in pretty petticoat (4)
13 Polar ship making friendly overtures (3, 7)
15 Not a long time to be in minority (6)
16 *Soccer rulers some of the* Celts find not too bad (7)
20 Poem three allowed (7)
21 Train not confined to first and second class (6)
24 Kind of diligence required for job ice has transformed (4-6)
26 Another cure for linen colour (4)
28 Boxing champion in repose is no dreamer (7)
29 Enterprising green light (2-5)
30 *Summary newsman took in* (8)
31 Old car for reporter (6)

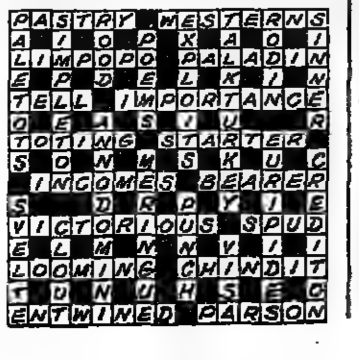
DOWN

1 Rank third-class sailor with resistance (8)
2 Can No. 1 batsman be useful in the kitchen? (3, 6)
3 Lot of party *president* (4)
5 Domineer superior speculator (8)
6 Avoid elegance of harebrained fellow (10)
7 Take to the bottle on 4th part of bowling green (5)
8 Race (boring) to finish all the beer (3, 3)
9 Slight deflection from southern prison (5)
14 Food to encourage carpenter (3, 2, 5)
17 Dish for whisky poacher (6, 3)
18 Salesman artist upset driving Peg to backchat (8)
19 *Struggle with fish (8)*
22 Dispensed with superfluous Danish capital (6)
23 Custom demands useless overtime (5)
25 Chanted about student using bad language (5)
27 Crazy to silence article (4)

Solution to Puzzle No. 3,957



SOLUTION AND WINNERS OF PUZZLE No. 3,952



Following are winners of last Saturday's prize puzzle:

Mr. A. B. I. Dick, Clifford Chambers, Stratford-upon-Avon, Warwickshire.

Mr. T. Kling, Monkswood, Milford-on-Sea, Lymington, Hants. SO4 0PB.

Mrs. K M Parry, 45, St. Austell Road, Leicester, LE5 2RG.

RACING **BY DOMINIC WIGAN**

Sandown all or nothing for Troy

THE PRESENCE of the Whitbread Gold Cup, the Westbury Stakes, the Esher Cup and the Classic Trial Stakes on one card adds up to a fascinating programme, and there is no denying that southern racegoers have a memorable afternoon in prospect at Sandown.

Although the jumping season has taken a back seat to Flat, the focus will be firmly on the winter game and the Whitbread Gold Cup at about three o'clock.

The 3 mile 5 furlong chase, *which led the way to what has* become a flood of sponsorship, is invariably a fascinating race and last year was no exception. Then Strombolus, making virtually *all his own running,* held off the remarkable Spartan Missile after being pressed the entire length of the straight.

Although both those fine chasers are absent this afternoon, the race will not lack quality for Diamond Edge, Royal Frolic, Tommy Joe, Otter Way, and Master Smudge are among the 14 acceptors.

My hopes—and they can be no more in such an open handicap—will be with Otter Way, the hero of this race three years ago. Reported to be in particularly fine heart in his bid for two Whitbread crowns, the Oliver Carter 11-year-old lines *up with a tremendous recent* record of four consecutive victories behind him. Would-be backers can take further encouragement from the fact that Carter, who *trains only* a handful of animals in the West Country, is maintaining a fine run, having saddled Ottery News at Taunton on Thursday.

SANDOWN
1.45—Noble Dudley
2.15—Camden Town*
2.55—Otter Way***
3.35—Twickenham
4.10—Troy**
4.40—Gibraltar

If Otter Way is to become only the second 11-year-old to oblige in the Whitbread (the other having been The Dikler), I believe the feat may be achieved chiefly at the expense of *Modesty Forbids,* who comes fresh to the race, having missed the Irish Grand National through a last-minute set-back.

Provided Sir Michael Sobell's Troy is even moderately well forward, he should have little trouble in regaining the winning thread in a disappointing race for the group three Classic Trial Stakes. The two lengths conqueror of Warmington in Newmarket's Plantation Maiden Stakes last July, the Petingo colt also beat an admittedly green Ela Mana Mou in Goodwood's Lanson Champagne Stakes before splitting the Harwood colt and Lyphards Wish in the Royal Lodge Stakes.

Troy's effort at Sandown fully entitled him to his high-ranking on the 9 stone mark in the Free *Handicap.* Keeping on with the utmost determination in the final three furlongs of the Royal Lodge, Troy eventually wore down Lyphards Wish but found Ela Mana Mou's late thrust beyond him.

With both Ela Mana Mou and the Lyphards Wish clearly in line for classic honours, anything but a clear-cut victory for Troy will come as a disappointment.

With Hawaiian Sound miss*ing the Westbury Stakes in* order to wait for a tilt at Trillion and Dancing Maid in Longchamp's Prix Gamay, the way may be clear this afternoon for Camden Town.

With the news that Tromos is under a cloud through coughing, bookmakers are now, for the most part, betting on the *2,000 Guineas without him.* Kris heads most lists at about 11 to 4, while stablemate Lyphards Wish is generally on offer at 5 to 1.

SPAIN ♥

April 27	Per cent	
Asland	121	+1
Banco Central	316	+6
Banco Exterior	284	—
B. Granada (1,000)	134	—
Banco Hispano	274	—
Bco. I. Cat. (1,000)	158	−3
Banco Madrid	208	−2
B. Santander (250)	307	−3
Bco. Urquijo (1,000)	269	−2
Banco Vizcaya	279	—
Banco Zaragozano	248	—
Dragados	190	—
Espanola Zinc	94	—
Fecsa (1,000)	55.75	+0.75
Gal. Preciados	67	−3
Hidrola	66.25	+0.50
Iberduero	54	−2
Petroliber	92	−2
Petroleos	154	—
Sniace	48	—
Sogefisa	130	—
Telefonica	76	−2
Union Elec.	66.50	+0.50

BRAZIL

Apr. 26	Price Cruz	+ or −	Cruz Div.	Yld %
Acesita	1.16	−0.01	0.12	10.25
Bancodo Brazil	1.58	−0.05	0.12	7.31
Banco Itau PN	1.31	......	0.37	28.24
Belgo Mi'eira OP	1.70	−0.02	0.08	4.65
Lojas Amer O.P.	2.50	−0.08	0.20	8.40
Petrobras PP	1.48	−0.05	0.13	8.44
Pirelli OP	1.31	−0.04	0.16	
Souza Cruz OP	2.13	−0.02	0.21	9.78
Unip PE	5.40	......	0.25	4.62
ValeRioDoce PP	1.78	−0.02	0.17	9.44

Turnover Cr. 140.3m. Volume 85.6m.
Source: Rio de Janeiro SE

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

◆ DM 50 denom. unless otherwise stated. ♠ Pta 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ● FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

[illegible]

TOKYO ¶

[illegible]

Source Nikko Securities, Tokyo

MILAN

[illegible]

AUSTRALIA

[illegible]

SWITZERLAND ●

[illegible]

OSLO

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN ♣

[illegible]

VIENNA

[illegible]

JOHANNESBURG

[illegible]

Financial Rand U.S.$0.77
(Discount of 34%)

SKF hopes for upturn this year

By Victor Kayfetz in Stockholm

SKF, THE SWEDISH multinational which is the world's largest manufacturer of bearings, expects higher capacity utilisation, better prices and elimination of losses in some subsidiaries to result in improved earnings during 1979.

Turnover will rise by 10-15 per cent over the 1978 figure of SKr 9.5bn ($2.2bn), the group predicts in its annual report.

Pre-tax profit rose by SKr 51m to SKr 207m ($47.1m) last year, but after currency exchange losses of SKr 159m and a drop of SKr 75m in extraordinary income the group's profit before allocations and taxes was only SKr 81m, compared with SKr 27m in 1977. The board has proposed an unchanged dividend of SKr 4.50 per share.

SKF believes that the economic upturn in West Germany during the latter half of 1978 which pulled up Sweden and other European countries will continue throughout 1979. "The beginnings of somewhat livelier investment activity noted at the same time may be signs that industry has found the time ripe to modernise equipment and plant," the annual report said. But uncertainty regarding energy supply and oil prices as well as political and labour problems might disturb this trend, it added.

SKF has gained an advantage over its important competitors in Japan and West Germany since 1977 due to the sharp rise in the yen and Deutsche-Mark in relation to the Swedish krona, but U.S. competitors including the highly successful Timken have profited even more from the drop in the dollar.

Swiss chemical concern sees recovery in sales

BY JOHN WICKS IN ZURICH

CURRENCY fluctuations cost Swiss chemical group, Ciba-Geigy, no less than SwFr 2.1bn in sales last year. Had there been no pressure from the foreign exchange market, turnover in 1978 would have risen by 11 per cent instead of dipping by a tenth to SwFr 8.9bn ($5.19bn).

This was explained at the group Press Conference in Basle, where the directors also pointed out that cost cutting was the main reason why the decline in net profits last year was limited to 16 per cent. Net earnings were SwFr 360m ($210.15m), compared to SwFr 420m.

The current year has started "much better" than 1978, with the more favourable level of the Swiss franc permitting a 3 per cent rise in group turnover to SwFr 2.74bn, following one of 13 per cent in local-currency sales value. All divisions recorded turnovers viewed by Ciba-Geigy as satisfactory or good.

Company chairman Dr. Louis Von Planta said business was developing at a "normal" rate for pharmaceuticals and agrochemicals, as well as in the field of dyestuffs, where Ciba-Geigy hoped to improve its market share.

Capital expenditure is seen as rising noticeably again this year, having fallen off from SwFr 640m to SwFr 554m in 1978. The decline last year was due primarily to the cheapening of local currencies in terms of Swiss francs. For 1979, investments should be of some SwFr 700m.

According to Dr. Von Planta, the takeover of the pigments division of the U.S. chemicals concern Hercules, has been agreed on but is subject to official approval. The turnover of the U.S. operation is put at some $100m. Other acquisitions are foreseen, including further "candidates" in the U.S.

● Swiss Bank Corporation's operating earnings for the first quarter of this year are "satisfactory." Revenues from the interest and commission business showed an improvement, while income from foreign exchange were lower.

The bank says in its quarterly report that operating costs were kept within the budget.

Poclain foresees return to the black this year

BY DAVID WHITE IN PARIS

THE TROUBLES of Poclain, the French construction equipment company, appear to be nearly over, according to M. Pierre Bataille, chairman of the group which the U.S. Case-Tenneco concern has been trying to revive since 1977. Losses were sharply down last year, and, said M. Bataille, this year should end with a profit.

The net parent company loss last year was reduced to FFr 22.6m ($5.2m) after soaring to FFr 179.7m the previous year. At group level, the loss fell to FFr 13.4m, from FFr 29.4m for the first half alone, and from FFr 172.3m in 1977.

Turnover rose by 23.5 per cent during the year to FFr 1.74bn ($400m) at parent company level, after declining in 1977. The sluggish economic situation in France, M. Bataille said, was offset by growth in foreign markets such as West Germany, the UK, North America and the Far East. Exports accounted for nearly 60 per cent of sales. Turnover on a consolidated basis was FFr 2.16bn.

Sales in the first quarter of this year were 15 per cent up on the same 1978 period, but the growth rate was slightly below earlier forecasts.

Investments are being stepped up to about FFr 40m this year from FFr 25m last year, mainly aimed at consolidating Poclain's leading world position in the field of hydraulic excavators. At the same time, the company aims to strengthen its export markets for mobile cranes, most of which it already sells abroad, in view of an expected decline in the French market caused by low industrial spending.

M. Bataille said that cooperation with Case-Tenneco, which holds 40 per cent of Poclain, had brought encouraging results in the North American and European sales operations brought under the wing of the U.S. group.

Poclain recently sold off one of its loss-making subsidiaries, Derruppe, the Bordeaux-based roadwork machinery company, to IBH of West Germany.

Besides Case, Poclain's main shareholders are the Bataille family, the founders of the company, and the Renault, Peugeot-Citroen and Volvo motor groups.

Kaufhof pays more

The West German department store group, Kaufhof, reports net profits for 1978 of DM 54.5m ($28.83m) compared to DM 50.7m, writes our financial staff. The company is lifting its dividend from DM 6 a share to DM 8 with the inclusion of a DM 1 bonus.

Allianz to buy insurance side of ASL

By James Forth in Sydney

ALLIANZ, the West German insurance group, is expanding in Australia. It is to purchase for A$2.8m the insurance offshoot of the failed finance company, Associated Securities.

Announcing the sale, the receivers of ASL said that approval had been received from all necessary authorities. The price agreed exceeds the A$2.25m estimated realisable value placed on the company in the recently released ASL statement of affairs. Allianz, whose world-wide premiums totalled A$4.3bn last year, successfully outbid at least 10 other companies in its move to establish a foothold in Australia.

The ASL insurance offshoot had premium income of A$7m in 1977-78. It is a general insurer with its main activities in the consumer market. Allianz is expected to inject about A$1m into the company.

The receivers are now working on the sale of the major ASL asset, the finance operation. They are hoping to sell the operation in one piece in a deal worth around A$190m. The receivers hope to obtain final bids from interested parties within the next few weeks.

Montedison names Arab shareholder

By Paul Betts in Rome

INTEREDEC BAHAMAS, a subsidiary of the Saudi Research and Development Corporation (REDEC) of Jeddah, is the new Saudi Arabian shareholder of Italy's largest chemicals conglomerate, Montedison, it was disclosed at the Italian company's annual meeting in Milan yesterday.

The Arab group, which is understood to be controlled by the Saudi Arabian financier Mr. Gaith Pharaon, has bought a 10 per cent stake worth an estimated L50bn ($59m) in Montedison. The deal was negotiated on behalf of the Saudi group by the Paris-based Banque Arabe et Internationale d'Investissement (BAII) last year).

This is the first major Arab investment in Italy since the celebrated $500m deal between the Turin Fiat group and the Libyan Government 2½ years ago. The Montedison deal also includes the setting up of a joint trading company between the Italian company and Interedec which will be involved in commercial operations in the field of raw materials, mainly oil.

Interedec holds all the European investments of the REDEC group, including shareholdings in the French BSN-Gervais Danone group and in Societe Nouvelle de Constructions Industrialisees (SNCI) of rance.

For its part, the REDEC group is involved in engineering and construction, industrial development, shipping, insurance and other commercial activities. In the civil engineering sector alone, REDEC employs about 16,000 people.

The Arab group will have two representatives, Mr. Roger Azar and Sig. Sergio Erede, who will sit on the Montedison board. It will also be represented on the Italian company's new controlling shareholding syndicate which has now also been approved.

Although Montedison confirmed yesterday that there was a recovery in the chemicals sector and company revenues have increased by 27 per cent during the first quarter of this year, it warned that it was no longer prepared to sustain the continuing structural and financial difficulties of its perennial loss-making fibres subsidiary, Montefibre.

West LB warns of losses on stake in building group

BY ADRIAN DICKS IN BONN

WESTDEUTSCHE Landesbank Girozentrale has set aside DM 80m against probable losses from its 10 per cent shareholding in Beton-und-Monierbau, the large West German construction group which filed for bankruptcy earlier this month. But Dr. Johannes Voelling, the West LB chairman, said it was not yet possible to say whether this provision would be enough to cover fully the bank's liabilities in the affair.

Herr Vinzenz Grothgar, a West LB director closely involved with B and M, said that in addition to its equity participation, the bank had advanced over DM 200m in normal business credit, of which an undetermined part was covered by state and Federal Government guarantees.

At a Press conference in Dusseldorf on Thursday, West LB directors strenuously denied that there had been any reason to suppose B and M was in a position any worse than that revealed by the company's regular auditors in August, 1978.

When B and M carried out a capital increase last November, with the help of a consortium of banks including West LB, Dr. Voelling said there had been no atempt by anyone to conceal the fact that it was undergoing a "problematical phase."

Dr. Voelling insisted that West LB had not known of irregularities when it declined to take up its share of the capital increase, and pointed out that it was only one among 30 banks with stakes in B and M, and only one of six making up the issuing consortium.

He said, however, that he knew of no occasion before the B and M capital increase, on which West LB had participated in a new share issue, whose proceeds were to be devoted to covering current obligations.

As well as strenuously defending West LB's handling of the B and M affair, Dr. Voelling said West LB would do all it could to limit the damage for all concerned.

There were good grounds for hoping for an early settlement of the B and M project problems in Saudi Arabia, although those in Algeria were more complex. The bank hoped to be able to ensure that both contracts could be completed by the other partners concerned, and ruled out the suggestion that any other big German contractor might take over the former B and M share.

The West LB chairman said that 1979 was likely to be a quieter year in financial markets, although with heightened competition among banks. West LB could not expect to improve much on its 1978 net earnings of DM 137m ($72.48m), a figure that included provision for losses that may go much of the way towards covering the B and M risk.

The balance sheet total of the West LB group rose 12.8 per cent to DM 93.3bn in 1978, while the volume of business rose 9.4 per cent to DM 128.2bn. Foreign business continued to rise rapidly, contributing about 30 per cent of group profit.

Aetna takes in $6m loss on nuclear accident

HARTFORD — Operating net earnings of Aetna Life and Casualty rose by 18 per cent to $122.9m in the first quarter, with share earnings at $1.52 against $1.28 last time.

The share earnings are restated to allow for the stock split for which shareholders are expected to approve at the annual meeting.

First quarter results included an estimated loss of $5.5m resulting from the accident at the Three Mile Island nuclear plant in Pennsylvania.

Aetna has lowered its estimate for underwriting losses from the Wichita Falls, Texas, tornado to $10m from $18m.

The company said the $10m will be reflected in second quarter results.

The 1979 first quarter results reflected improved earnings in all of the company's major business areas, a 9 per cent gain in revenues to $2.6bn and a 23 per cent rise in investment income. Reuter

Pan Am terms for National bid clarified

NEW YORK—Pan American World Airways said yesterday that, following the termination of its agreement with Texas International Airways (TXIA), its proposed acquisition of National Airlines is still for $41 a share.

Pan Am announced on Thursday that a tentative agreement with Texas International Airways, which also is seeking National, had fallen through.

A news agency incorrectly reported that under that agreement Pan Am had raised the price of its offer for National to $50 a share.

A Pan Am spokesman said yesterday that the increase to $50 a share from the present $41 was "conditional" on Texas International agreeing to certain restrictions on the use of the National stock which Texas International own. Reuter

Skandia readjusts profit

BY OUR STOCKHOLM CORRESPONDENT

SKANDIA, THE Swedish insurance company, said 1978 earnings on its non-life business totalled SKr 469m ($106.6m), or SKr 21m less than stated in its preliminary report three months ago. Premium income was SKr 4.852bn ($1.103bn) or SKr 12m more than previously estimated.

In 1977, non-life premium income was SKr 4.25bn

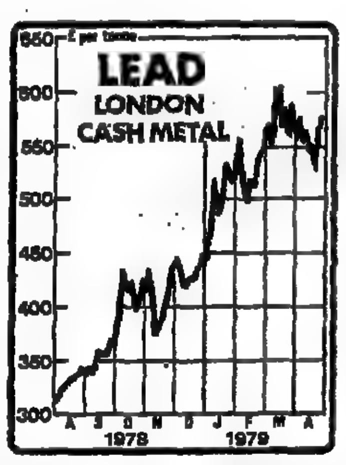
The change in the declared profit for 1978 was due mainly to a downward adjustment in the figure for international insurance earnings from SKr 85m to SKr 54m.

COMMODITIES/Review of the week

Russian buying boosts lead

BY OUR COMMODITIES STAFF

LEAD PRICES surged ahead on the London Metal Exchange this week following reports of renewed Russian buying interest and a further squeeze on nearby supplies. Cash lead closed last night £53.5 up on the week at £579.5 a tonne. In contrast the three months quotation rose by £19.75 to £532.25.



The rise in cash price yesterday was encouraged by forecasts of a substantial fall in warehouse stocks.

Copper prices rallied this week, after the previous week's setback. A fall in warehouse stocks, and predictions of a further decline, helped the upward trend. Sozacom, Zaire metals marketing agents, again officially denied rumours that it planned to declare force majeure of up to 75 per cent on contracted deliveries. However, trade sources confirmed that consumers were now being allocated on a monthly basis much reduced supplies compared with the amounts specified in the annual contracts. At the same time even these reduced monthly supplies, it is claimed, are subject to considerable delays in delivery.

In Canada, talks to settle the strike at Noranda's Gaspe mine, which started in October, broke down in failure and no further meeting is planned at present.

Efforts to settle the seven-month old stoppage at International Nickel's Sudbury mines are continuing, but prospects are not too hopeful with the unions putting a counter-proposal to an improved offer made by the company. The London Metal Exchange's nickel futures contract was successfully launched on Monday attracting much interest. Prices moved somewhat erratically as the market settled down, but after opening at over £2,800 on Monday, last night the three months price had fallen back to £2,970 a tonne, partly on expectations of a possible settlement of the Inco strike.

Platinum values moved sharply ahead this week. Rustenburg, the South African producer, confirmed market rumours yesterday that it was raising its producer price from $325 to $350 a tonne. Meanwhile London free market values rose by £6.55 to £195.65 ($402.5) an ounce.

Coffee prices rose sharply in late trading on the London futures market yesterday to end at the highest levels for six months.

Rumours that further producer price rises were in the pipeline, notably in Brazil and Colombia, encouraged yesterday's upsurge.

The July coffee price ended at £1,579 a tonne, up £23 on the day and £50.50 on the week.

Cocoa prices were much quieter with the July position slipping to £1,584 a tonne at one stage before ending the week £4.5 lower on balance at £1,606 a tonne.

London merchant, Gill and Duffus, in its market report estimated the 1978-79 world cocoa bean surplus at 63,000 tonnes compared with 42,000 in its February report. But the higher surplus prediction merely confirmed market opinion and had little direct effect on prices.

World sugar prices steadied somewhat with the London daily raws price ending £3 lighter on the week at £97 a tonne.

The rise was encouraged by news that the U.S. House Agriculture Committee had at last approved a domestic Sugar Bill. Agreement on the Bill, which followed many months of horse-trading among interested parties, has raised hopes that the U.S. could soon be in a position to ratify the International Sugar Agreement.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1979 High	1979 Low
Metals					
Aluminium	£710	—	£680	£710	£710
Free Market c.i.f.	$1,580/600	+40.0	$985/1,000	$1,610	$1,210
Antimony (99.6%)	£1,825		£1,925	£1,975	£1,925
Free Market (99.6%)	$3,060/100	+55.0	$2,325	$3,030	$2,712.5
Copper					
Cash Wire Bars	£1,007	+22.5	£684.25	£1,082.5	£769
3 mths Do. Do.	£1,006.5	+16.0	£701.25	£1,073.75	£783.75
Cash Cathodes	£999	+8.0	£674.5	£1,064	£763
3 month Do.	£998.75	+11.25	£691.75	£1,068	£771.25
Gold per oz.	$244.875	+8.75	$170.625	$253.625	$216.625
Lead Cash §	£579.5	+53.5	£305.25	£605	£354.75
3 months §	£532.25	+19.75	£313.5	£556.75	£420.75
Nickel	£2750.09		‡	£2750.09	[illegible]
Free Market c.i.f. lb.	$285/90	+18.0	195/205c	278c	166c
Platinum per oz.	£159		£120.5	£164.5	£152
Free Market per oz.	£195.65	+6.55	£117.4	£210.85	£169.5
Quicksilver (76lbs.)	$270/80	+3.0	$127/32	$275	$160
Silver per oz.	369.55p	+13.75	273.3p	390.85p	296.4p
3 months per oz.	378.95p	+13.95	278.6p	402.95p	303.7p
Tin cash	£7,540	+70.0	£6,110	7,660	£6,115
3 months	£7,185	+20.0	£6,077.5	7,317.5	£6,662
Tungsten Ind.	$137.42		—	$145.56	$127.94
Wolfram (22.04 lb.)	$135/40	+3.5	$137/42	$145.5	$120.5
Zinc cash	[illegible]	+11.0	£238.5	£408.5	[illegible]
3 months	£397.5	+11.25	£297.5	£423.5	£350.5
Producers	$800	—	$560/600	$800	$720
Grains					
Barley					
Home Futures	£87.65	+1.05	£82.25	£96.10	£85.5
Maize					
French No.3 Yellow (American)	£112	+1.25	£105.75	£112	£107.25

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1979 High	1979 Low
Wheat					
No. 1 Red Spring	‡	—	£83.5	£97.75	£97
Am. Hard Winter	‡	—	‡	£91	£85.5
Eng. Milling (new crop)	£101.5	—	£106	£105.5	[illegible]
Spices					
Cloves	£3,350	—	£4,500	£3,975	[illegible]
Pepper, white	$2,869	+8.0	$3,050	$2,850	[illegible]
Black	$1,700	−25.0	$2,070	$1,850	$1,660
Oils					
Coconut (Philip'ne)	$1,100	−50.0	$610	$1,160	$825
Groundnut	‡		£765		
Linseed, Crude	£411	+5.0	£389	£441	£334
Palm Malaysan	$670	+10.0	$585	$720	$610
Seeds					
Copra (Philippines)	$735	−5.0	$410	$740	$620
Soyabeans (U.S.)	$307	+3.05	$284.5	$322	$285.25
Other Commodities					
Cocoa Shipment	£1,662	−5.0	£2,083.5	£2,041	£1,589
F'ts 2nd pos.	£1,606	−4.5	£1,953.75	£1,990.5	£1,552.5
Coffee Futures July	£1,579	+50.5	£1,391	£1,579	£1,292.5
Cotton Index	74c	+0.5	69.5c	77.65	72.5c
Des. Coconut	£725	—	£615	£740	£700
Jute LJABW C grade	$403	—	$485	$526	$476
Rubber kilo	60.25p	−0.75	62p	64p	59p
Sago Pearl	£128	—	£177	£128	£112
Sisal No. 3 L	$625	—	[illegible]	$625	$515
Sugar (Raw)	£97	+3.0	£101.5	£106	[illegible]
Tapioca No. 1	£164	+12.0	£172	£164	£157
Tea (quality) kilo	126p	—	130p	138p	123p
(plain) kilo	78p	—	84p	84p	72p
Wooltops 64s Warp	284p kilo	−1.0	273p kilo	281p kilo	269p kilo

‡ Unquoted. * Nominal. § Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Firmer again on the London Metal Exchange following forecasts of a further decline in warehouse stocks and reflecting the strength of Comex. Forward metal traded between £998 and £1,007 before closing the late kerb at £1,001.5. Turnover 22,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars	£	£	£	£
Cash	1003-4	+11.7	1006-8	+14
3 months	1002.5-3	+11.2	1006-7	+13.7
Settl'm't	1004	+12	—	...
Cathodes				
Cash	996-7	−7	998-1000	[illegible]
3 months	994.5	+8	998.5-9	+10
Settl'm't	997	+7	—	...
U.S. Smt.	—		*98-103.25	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,003, 5 6 5 3, three months £1,004, 3 4 4.5, 4, 3, 3.5, 3. Cathodes, cash £1,006, three months £1,005. Kerb: Wirebars, three months £1,002, 2.5, 3, 4, 5, 4. Afternoon: Wirebars, cash £1,005, three months £1,003, 4, 4.5, 5, 6, 6.5, 6, 5, 4.5, 5, 6. Cathodes, early May £1,001 three months £999. Kerb: Wirebars, three months £1,005, 6 5, 6, 5, 4, 3, 2, 1, 2.

TIN—Barely changed. Forward metal opened higher at £7,310 owing to the rise at Penang, bear covering and physical demand but came under pressure in the rings as hedge selling and an easing in the supply situation depressed forward metal to £7,170 on the late kerb. Turnover 1,800 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7540-50	−10	7535-45	−40
3 months	7180-210	−28	7200-30	+30
Settlem't	7550	−10	—	
Standard				
Cash	7540-50	−12.5	7535-45	−40
3 months	7170-5	+25	7180-90	+27.5
Settlem't	7550	−10	—	
Straits E.	[illegible]	+14	—	
New York	—		—	

Morning: Standard, cash £7,550, 60, three months £7,200, 05, 7,200, 7,180, 70. Untraded Kerb: Standard, three months £7,180, 75. Afternoon: Standard, cash £75,40, three months £7,180, 7,200, 7,190. Kerb Standard, three months £1,780, 90, 80, 70

LEAD—Moved ahead following heavy trade borrowing of cash which widened the backwardation to around £50 at one point with warehouse stocks expected to show a fair decline over the past week. Forward metal rose to close the late kerb at £531. Turnover 8,175 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	579.5	+8	579-80	+8
3 months	530-1	+.75	532-.5	+2.75
Sett'ment	580	+8	—	...
U.S. Spot	—		*48	

Morning: Cash £580, 79, three months £529, 30, 31. Kerb: Three months £530. Afternoon: Cash £580, three months £532, 32, 33 34, 33, 32, 32.5, 32. Kerb: Three months £532, 31.5, 32.

ZINC—Edged higher in line with lead and copper. Forward ended the late kerb trading around £397 with stocks forecast to show a sizeable increase over the week. Turnover 3,300 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	385-6	+4	386-7	+3
3 months	397-8	+4	397-8	+2.25
S'ment	386	+4	—	....
Prim.west	—		*37.5-8.5	....

Morning: Three months £396, 97, 98, 99, 98.5, 98, 97.5, 97. Kerb: Three months £398, 97, 96.5 Afternoon: Three months £398, 97 Kerb: Three months £396, 96.5.

ALUMINIUM—Quiet. Forward metal traded between £763 and £765 prior to closing the late kerb at £763.5. The elimination of the backwardation followed forecasts of a rise in stocks over the week. Turnover 2,025 tonnes.

Al'minium	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	765-6	−3	762-3	−1
3 months	764-5	+.75	764-5	+2.75

Morning: Cash £765, three months £764.5, 64. Afternoon: Three months £765, 64, 64.5 Kerb. Three months £764, 63

NICKEL—Gained further ground on short covering, stop-loss buying, speculative buying and Commission House buying to close the late kerb at £2,990—a rise of £242.5 since the metal's debut on the market last Monday. Turnover 522 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	—		—	
3 months	2955-60	−40	2978-80	+30

* Cents per pound ‡ $M per picul † On previous unofficial close

Morning: Three months £2,950, 70, 60, 70, 65, 60. Kerb: Three months £2,960 Afternoon: Three months £2,960, 60, 75, 80, 78, 79. Kerb: Three months £2,990, 85, 90, 98.

SILVER

Silver was fixed 7.35p an ounce higher for spot delivery in the London bullion market yesterday at 369.55p. U.S. cent equivalents of the fixing levels were: spot 757.0c, up 12.7c; three-month 774.0c, up 13.4c; six-month 789.6c, up 14.6c; and 12-month 814.8c, up 15.8c. The metal opened at 369½-370½p (757-759c) and closed at 372½-373½p (766-768c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	369.55p	−2.65	375.7p	+4.1
3 months	378.95p	−2.25	385.15p	+3.8
6 months	387.55p	−2.25	—	
12 months	401.75p	−2.25	—	

LME—Turnover 229 (192) lots of 10,000 ozs. Morning: Three months 378.8, 8.8, 8.7, 8.8, 79.5, 9.7, 9.8, 80. Kerb: Three months 379.8. Afternoon. Three months £383.7, 84, 83.9, 84, 83.8, 3.7, 3.2, 3.4, 3.2 Kerb: Three months 383, 3.5, 3.7, 84.

COCOA

COCOA futures remained steady within a narrow trading range to close £10 higher than last night's levels, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1651.0-55.0	−3.0	1644.0-24.0
July	1605.0-07.0	+13.0	1614.0-15.30
Sept	1628.0-29.0	+11.5	1635.0-12.0
Dec	1692.0-94.0	+13.0	1695.0-75.0
March	1718.0-16.0	+6.5	1725.0-10.0
May	1735.0-50.0	.. .. ..	1745.0-20.0
July	1755.0-64.0	+17.0	1758

Sales: 3,385 (1,567) lots of 15 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price April 25 146.31 (149.97); Indicator prices for April 26: 15-day average 146.89 (146.95); 22-day average 147.96 (148.16)

COFFEE

ROBUSTAS opened £15-£20 higher as expected and good trade buying held the market steady through the morning session reports Drexel. The early afternoon period was quiet but as New York showed signs of improvement, the pattern was reflected in London as values rallied sharply towards the close to finish plus 09.5-32.5 from yesterday.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1608-1610	+26.0	1610-1598
July	1578-1580	+32.5	1586-56
September	1573-1574	+23.0	1577-50
November	1560-1562	+18.5	1570-47
January	1551-1556	+14.0	1555-42
March	1542-1548	+14.0	1540-31
May	1525-1530	+9.5	1536

Sales: 4,754 (2,582) lots of 5 tonnes. ICO Indicator prices for April 25 (U.S. cents per pound): Colombian Mild Arabicas 146.00 (145.00); unwashed Arabicas 146.00 (same); Robustas ICA 1968 144.50 (same); Robustas ICA 1976 144.00 (same); other Mild Arabicas 140.67 (140.50). Composite daily average 138.69 (144.50).

GRAINS

LONDON FUTURES (GAFTA)—Grains opened 10p up to 15p higher on May barley. Old crop wheat values remained about steady to close 10p higher. Barley saw good buying interest towards the close and the option closed 35p up on the day. New crops again remained steady, with good buying interest, to close 10.25p higher on wheat and 20-35p higher on barley. Acli reports.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	102.55	−0.10	97.20	−0.55
Sept.	93.45	−0.25	87.65	−0.50
Nov.	96.25	+0.35	90.95	−0.35
Jan	99.60	−0.10	94.25	+0.30
Mar.	102.40	+0.10	97.05	+0.20

HGCA — Locational ex-farm spot prices. Feed barley: Norfolk 96.00, Devon 97.40

The UK monetary coefficient for the week beginning April 30 will increase to 1.208.

IMPORTED—Wheat: CWRS No 1 13½ per cent unquoted. U.S. Dark Northern Spring No 2 14 per cent, April/mid-May 85.50, May 85.75, June 84.75, transhipment East Coast. U.S. Hard Winter 13½ per cent unquoted. EEC unquoted. Maize: U.S./French May 112.00, June 113.00, East Coast. S. African White unquoted. S. African Yellow May 78.00 nominal. Barley: English feed fob May 102.00, June 103.00

RUBBER

SLIGHTLY LOWER opening on the London physical market. Little interest throughout the day, closing easier. Lewis and Peat reported a Malaysian godown price of 279 (same) cents a kg (buyer, May).

Sales: 44 lots at 5 tonnes, 611 at 15 tonnes.

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
June	60.40-61.40	61.70-61.75	61.78
July	61.60-62.40	62.95-65.00	—
Jy-Sept	63.10-63.25	63.95-64.00	64.00-63.15
Oct-Dec	65.55-65.40	66.15-66.20	66.40-64.90
Jan-Mar	67.25-67.50	67.90-68.00	67.95-67.25
Apr-Jne	69.15-69.20	69.80-69.85	69.80-69.15
Jy-Sept	71.15-71.20	71.70-71.75	71.45-71.15
Oct-Dec	73.20-73.25	75.60-75.65	75.65-75.60
Jan-Mar	75.25-75.30	75.65-75.70	75.70-75.20

Physical closing prices (buyers) were: Spot 60.25p (61.0); June 64.75p (65.15); July 64.75p (same)

Sales: 1 lots at 5 tonnes, 886 at 15 tonnes

SOYABEAN MEAL

London market opened slightly easier on stronger sterling, reported T. G. Roddick. Trade support steadied prices, which closed at best levels of day.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
June	122.80-23.1	−0.7	125.10-122.70
August	125.10-25.2	−0.45	125.70-124.50
October	124.50-24.8	−0.45	124.70-124.50
December	124.00-24.1	+0.10	124.00
February	124.50-26.0	−0.25	—
April	124.10-27.0	−1.50	—
June	125.00-29.5	+0.25	—

Sales: 74 (46) lots of 100 tonnes.

SUGAR

Following reports of substantial progress with the U.S. Domestic Sugar Bill, the market opened around overnight levels and consolidated thereat. Later, prices lifted some 100 points following higher New York quotations before profit-taking pared the gains somewhat at the close, when the market was still some £2.50 below the highs recorded during last night's kerb trading, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	—	98.75-98.80	106.00-99.80
Aug	105.35-05.90	102.25-02.30	108.50-02.25
Oct	109.50-09.70	106.25-06.30	112.00-06.25
Dec	115.50-15.50	110.15-10.25	116.00-11.25
March	116.20-16.50	115.00-16.10	120.25-16.50
May	121.00-21.20	118.00-18.10	122.00-20.00
Aug	124.75-24.90	121.50-22.00	—

Sales: 6,074 (2,169) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (same) a tonne for home trade and 165.50 (163.00) for export.

WHITE SUGAR—Close (in order buyer, seller, business, sales): July 105.50, 105.75, 105.50, 104.50, 22; Sept. 109.00, 109.50, 108.25, 108.00, 33; Nov 113.00, 113.15, 113.50, 111.75, 56; Feb. 120.00, 121.25, 119.50, 20; April 124.50, 124.70, 123.50, 3; July 128.50, 130.00, nil, nil; Sept. 132.00, 135.00, nil, nil.

LONDON GREASY—Close (in order buyer, seller) May 210.0, 220.0, July 215.0, 235.0, Oct., Dec., March, May, July and Dec. 220.0, 240.0. Sales: nil.

AMERICAN MARKETS

NEW YORK, April 26.

PRECIOUS METALS finished mixed on mixed activities. Copper initially sold off on local and speculative selling then rallied to finish strong on Commission House buying and short-covering as Zaire reported a 75 per cent force majeure. Sugar finished strong on mixed buying as the House agriculture committee submitted a Bill for 1979 of objectives of 15.8 cents per pound. This still has to have the full House and Senate approval, Bache reported.

Cocoa—May 139.20 (139.00), July 141.40 (141.25), Sept 143.40, Dec. 146.45, March 148.50, May 150.05, July 151.55, Sept. unquoted. Sales: 858.

Coffee—"C" Contract: May 145.50-145.95 (143.88), July 150.50-151.90

This edition went to press before the latest U.S. commodity prices were available.

(148.14), Sept. 154.25-155.38, Dec. 154.00-155.00, March 149.25-150.90, May 150.50-150.90, July nil. Sales: 2,135.

Copper—May 89.20 (87.45), June 89.70 (88.00), July 90.20, Sept 90.30, Dec. 90.40, Jan 90.40, March 90.50, May 90.60, July 90.70, Sept. 90.80, Dec. 90.80, Jan 90.90.

Cotton—No. 2: May 60.25 (60.35), July 61.65-61.75 (61.52), Oct 63.05, Dec 62.75-62.80, March 64.05-64.15, May 65.05-65.15, July 65.55-66.15, Oct 66.00-67.50. Sales: 5,650.

*Platinum—May 398.40-398.80 (399.00), June 397.40-397.60 (398.00), July 393.60-394.40, Oct. 392.40, Jan. 393.00-393.20, April 394.10-394.30, July 395.90-396.10, Oct. 397.90-398.10.

Potatoes (round whites)—Nov. 80.6-8.12 (80.5), March 89.0-89.9 (89.8), April unquoted, May 81.8-81.9. Sales: 7.

†Silver—May 757.80 (755.50), June 764.70 (762.20), July 771.50, Sept. 782.50, Dec. 798.40, Jan 803.30, March 813.20, May 823.10, July 833.10, Sept 843.10, Dec. 858.30, Jan 863.40. Handy and Harman spot 758.50 (749.00).

Sugar—No. 11: May 7.74 (7.52), July 8.19 (7.91), Sept. 8.61, Oct. 8.76, Jan. 9.10, March 9.48, May 9.78, July 10.00, Sept 10.18.

Tin—687.00-710.00 nom. (695.00-710.00 nom.). Spot 687.00-710.00 asked (685.00-710.00).

CHICAGO, April 26.

Lard—Chicago loose 26.25 (same). New York prime steam 27.75 traded (27.75).

Live Cattle—June 78.80-78.82 bid (77.32), Aug. 76.55 bid (75.05), Oct. 93.85 bid, Dec. 74.02 bid, Jan 73.83 bid, Feb. 74.07 bid, April 74.00 bid, June 74.30, Aug 74.10 bid, Oct 72.80 bid. Sales: 33,776.

Live Hogs—June 50.12-50.02 (49.92), July 50.25-50.40 (50.20), Aug. 47.65-47.55, Oct 44.30, Dec 44.70 bid-44.90, Feb. 44.10, April 42.05, June 44.00. Sales: 8,677.

‡‡Maize—May 256¾-256 (257¼), July 262-262¼ (263¾), Sept. 265½-265¾, Dec. 268¾-269, March 275¾-275¾, May 281¾-282¼.

Plywood—May 203.0 (203.0), July 200.0 (205.8), Sept. 206.2, Nov. 204.8, Jan. 205.0, March 206.1 nom., May 206.1 nom., July 206.1 nom., Sept. 206.1 nom.

Shell Eggs—May 55.70 (54.90), June 56.00 (55.80), July 58.10, Aug. nil, Sept. 61.50, Oct. nil, Nov. 62.25 bid, Dec. 63.20. Sales: 292.

Silver—May 759.5 nom. (754.1), June 767.0-768.0 (761.7), Aug 778.0, Oct. 790.0, Dec 800.0, Feb. 810.0, April 820.0, June 830.0, Aug. 840.0, Oct. 850.0, Dec. 860.0, Feb 870.0, April 880.0 nom., June 890.0 nom., Aug 899.5, Oct. 910.0 nom., Dec. 921.0, Feb 932.0

†Soyabeans—May 733-734 (737¼), July 748-749½ (752½), Aug. 748½-750, Sept 724, Nov 710½-710, Jan. 720½, March 730-731, May 738½.

‡Soyabean Meal—May 191.50-191.40 (192.90), July 197.40-197.20 (198.30), Aug 198.30, Sept 198.00, Oct. 193.50-194.00, Dec 193.50, Jan 194.80, March 197.50, May 199.00-200.00.

Soyabean Oil — May 26.35-26.22 (26.43), July 26.02-26.70 (26.77), Aug 26.70, Sept 26.30, Oct 25.90, Dec. 25.80-25.85, Jan. 25.85, March 25.65, May 25.65-25.70, July 25.60-25.70.

†Wheat—May 346¾-346 (345¼), July 338-338½ (336¾), Sept 340¾-341, Dec 351¾-351½, March 360¼, May 363¾.

WINNIPEG, April 26. §Rye—May 102.50 asked (103.90 asked), July 103.30 (103.60 asked), Oct 103.50 asked, Dec 103.40 asked.

§Barley—May 88.00 (87.60 bid), July 87.50 (86.80-86.90), Oct 88.70 asked, Dec 88.20 asked, March 88.20.

§Oats—May 85.90 bid (85.50), July 84.10 (83.90 asked), Oct. 86.20 asked, Dec 85.00, March 86.00

§Flaxseed—May 327.50 asked (329.00 asked), July 323.50 bid (325.20 asked), Oct 315.00, Nov. 311.10 bid, Dec. 303.00 asked.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 181.70 (180.85).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ° Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ° Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per

INDICES

FINANCIAL TIMES

Apr. 26	Apr. 25	M'nth ago	Year ago
275.59	275.13	274.73	238.94

(Base: July 1, 1952=100)

MOODY'S

Apr. 26	Apr. 25	M'nth ago	Year ago
1050.2	1046.9	1046.6	900.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 26	Apr. 25	Month ago	Year ago
Spot	387.68	387.04	379.86	358.11
F'tur's	389.32	388.24	388.38	349.32

(Average 1924-25-26=100)

REUTERS

Apr. 27	Apr. 26	M'nth ago	Year ago
1560.9	1555.4	1569.6	1455.3

(Base: September 18, 1931=100)

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 27 GB—Cattle 75.37p per kg l.w. (+0.71); UK—Sheep 193.1p per kg est d.c.w. (−6.6); GB—Pigs 59.0p per kg l.w. (−2.4). England and Wales: Cattle numbers up 18.7 per cent, average price 75.03p (−0.18); sheep down 46.0 per cent, price 194.2p (−8.0); pig down 1.5 per cent, price 59.0p (−2.4). Scotland: Cattle up 8.5 per cent, price 76.53p (+3.55); sheep down 51.8 per cent, price 187.0p (−0.9).

COVENT GARDEN—(prices in sterling per package except where otherwise stated: Imported produce: Tangerines—Californian: 100/125s 6.00. Oranges—Spania: Bloods 3.10-3.40; Israeli: Shamouti 4.40-5.50; Cypriot: 3.50-4.50. Moroccan: Valencia Lates 4.00-4.40. Lemons—Italian: 100/120s 4.50-5.00; Cypriot: trays 2.40-4.30; Spania: trays 30/40/45 1.50-2.20. S. African: 5.50-6.00. Grapefruit—Cypriot: 3.00-5.00; Israeli: Jaffa 27/88 3.45-4.25; S. African 30/64 3.00-3.80. Apples—S. African: Dunn's 5.00-5.80, Golden Delicious 6.50-6.75, Starking 5.90-6.50, Jonathan 5.00-5.20, Granny Smith 7.00-7.50, White Winter Pearmain 6.20-6.60. French: Golden Delicious (20 lb) 72s 1.70-2.00, 84s 1.60-1.80, (jumble pack) per pound 0.08, Starkcrimson (40 lb) 138/198s 4.00-5.20, (jumble pack) per pound 0.08, Starking (40 lb) 150-175s 3.80-5.00; Italian: Granny Smith per pound 0.11, Romes 0.08. Washington: Red Delicious 40 lb 7.50-10.00, New Zealand: Cox's 163/175/198 8.00-8.60; Chilean: Granny Smith per box 163/175 8.90-7.20. Pears—S. African: cases 40 lb Packham's 7.50, Beurre Bosc 6.20-6.40; cartons Winter Nelis 5.00-5.50, Packham's 5.80-6.70, Beurre Hardy 4.80-5.60, Beurre Bosc 5.50-5.80; Italian: Passacrassane trays 11 lb 1.50-1.60; Chilean: Winter Nelis cases 150s 6.30, Packham's 7.50. Plums—S. African: per pound Songold 0.35-0.40, Golden King 0.35-0.40. Bananas—Jamaican: per 26 lb 3.90-4.20.

Stock Exchange dealings

Thursday, April 26	6,192
Wednesday, April 25	5,620
Tuesday, April 24	5,632
Monday, April 23	5,043
Friday, April 20	4,182
Thursday, April 19	4,341

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in". $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $M—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (486)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (11)

COMMONWLTH. GOVTS. (14)

FOREIGN STOCKS (16)

COUPONS PAYABLE IN LONDON

CORPORATION STOCKS—FOREIGN

CORPORATIONS (32)

FREE OF STAMP DUTY

BANKS (246)

BREWERIES (213)

Wolverhampton Dudley Brews. (25p) 287 93

Young Brwy. A (50p) 159. N.V. (50p) 125 (24 4). 4.2pcPf. 47½

COMMERCIAL (3,902)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

APPOINTMENTS

Rediffusion chief executive

Mr. Ronald Denny has been appointed managing director of REDIFFUSION from August 2. He became a member of that company's executive staff in 1970 and has been a director since June 1974. Mr. Denny will succeed the Earl De La Warr, who is to give up his executive duties with Rediffusion and also with the BRITISH ELECTRIC TRACTION COMPANY to devote more of his time to his other interests. Lord De La Warr, who is 57, joined the executive staff of BET in 1956 and was appointed a director in 1970. His principal executive responsibility was as managing director of Rediffusion in which BET owns 57.6 per cent of the equity.

*

Mr. Eric Pountain, recently appointed managing director of TARMAC, has made the following promotions in the housing and properties divisions of the group which remains under his chairmanship. Mr. Ronald King, who became assistant managing director in 1975, is now managing director of the housing division and Mr. Sam Pickstock is deputy managing director. Mr. Douglas Gardner has been appointed managing director of Tarmac Properties division.

*

Mr. R. A. Hudspeth has been appointed an executive director of HAWKER SIDDELEY SWITCHGEAR. He relinquishes his position as general manager of the Banbury factory of Brush Power Equipment but retains his seat on the Board of that company.

*

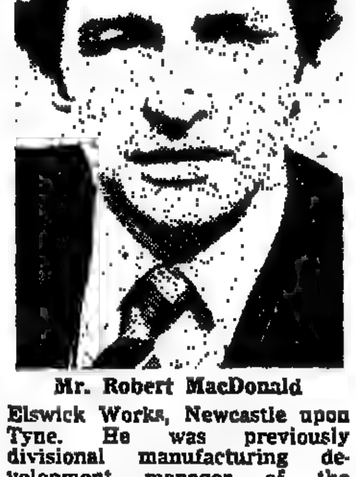
Mr. W. J. B. Fitzsimons and Mr. H. Randal Herron will be joining the partnership of JOSIAS CUNNINGHAM AND CO., members of the Stock Exchange, Belfast, from May 8. On that date, Mr. Arthur H. Bates retires from the partnership but will continue with the firm as an associate member of the Stock Exchange.

*

Mr. Stephen E. Fife has been appointed general manager of BAII—HILL SAMUEL CORP. E.C., the new investment bank established in Bahrain jointly by Banque Arabe et Internationale d'Investissement and Hill Samuel Group. The bank has been granted an investment banking licence by the Bahrain Monetary Agency. BAII (Middle East) Inc. has made two appointments in Bahrain: Mr. Haydar A. K. Al-Uzri has joined the bank as manager, syndications, and Miss Rend Mahdi El Rahim as an officer in the credits department.

*

Mr. Robert L. MacDonald has joined VICKERS as technical director of the company's Defence Systems Division at



Mr. Robert MacDonald

Elswick Works, Newcastle upon Tyne. He was previously divisional manufacturing development manager of the general bearings division of RHP Bearings, Newark, Notts.

*

Mr. B. L. Bannerman, previously managing director of Bank of Commerce Jamaica, has been appointed an assistant general manager at the European operations office in London of the CANADIAN IMPERIAL BANK OF COMMERCE. He succeeds Mr. O. W. Lacey, who is retiring at the end of this month.

*

Mr. David Goodrich has been appointed technical director of the BRITISH SHIP RESEARCH ASSOCIATION. He has been manager of the shipbuilding technology department since October, 1977.

*

Mr. Oakley W. Cheney, Jr., has been elected executive vice-president and head of the multinational banking division of FIRST NATIONAL BANK IN DALLAS. He joined the bank in 1962 and was manager of the London branch when it opened in 1970. In 1972 he returned to Dallas as head of the home office international division. Mr. Cheney was most recently assigned in London as the bank's senior executive in the European markets with responsibility for supervision of branches in London and Paris. The multinational banking division of First National Bank in Dallas is composed of the bank's national accounts, multinational and international departments. Mr. Jim R. Erwin, senior vice-president, has been named head of the Americas Group, and Mr. J. Robert Hudspeth, senior vice-president, becomes head of the Europe, Middle East and Asia Group.

*

Mr. William H. Lyons has been elected to the Board of BOYDEN ASSOCIATES, INC. He is vice-president of the London office in charge of international recruitment in the UK and abroad.

*

Mr. Bruce M. Flesher has been appointed director of investments for the FIRESTONE TIRE AND RUBBER COMPANY, succeeding Mr. Kenneth G. Agin, who has become a vice-president with the Firestone Tire Company (U.S.). Mr. A. Glenn W. Brun has been made manager of sales administration in place of Mr. Flesher.

*

Mr. Peter H. Jackson has been made director and general manager (flexible tube) and joins the Board of TI STEEL TUBE DIVISION. The appointment follows the transfer of TI's flexible tubemaking business from TI Engineering Division to TI Steel Tube Division.

*

Mr. Harvey Allen, at present overseas sales and marketing director of Harveys of Bristol, is to join ALLIED BREWERIES (UK) on June 1, in the new appointment of national brands director.

*

Mr. Neil Allen has been appointed to the newly created position of director of parts and service development at JCB SERVICE.

*

Mr. K. S. Dawood, general manager of the JUBILEE INSURANCE COMPANY, is to become chief executive on May 1. Mr. Derek H. Stuart-Brown is retiring as managing director on April 30.

*

Mr. T. Roy Earnshaw has been appointed a non-executive director of UNICO FINANCE, merchant bankers, Belfast.

*

Mr. Gerard L. Turner has been appointed chairman and managing director of D. S. TURNER AND CO. following the retirement of Mr. Donald S. Turner.

*

Mr. Ian Robey, chairman of Cakebread Robey and Co., has been elected president of the BUILDERS MERCHANTS FEDERATION. He succeeds Mr. Cyril Brown. Other senior officers of the Federation elected are Mr. J. B. Jackson, senior vice-president, Mr. Mason Elliott, junior vice-president, and Mr. B. I. Hunt, honorary treasurer.

SINGAPORE

Apr. 27	$	Apr. 27	$
Industrials		Straits Trdg.	6.30
		Times Pub. Berhad	3.10
Boust'ad Co	1.90	U. Engin'ers	1.46
Boust'ad Bd	5.36	U. Ov's Bk.	3.54
Bovis	0.56	Wearnes	2.79
Dunlop	4.76xd	Tractors	5.75
Esso	‡4.36xd	Chemical	5.0
Fraser Neve	5.75	Wlim. Jacks	1.35
Haw Par.	1.65	Rubbers	
Hume Ind.	‡1.86	Btu. Lintang	2.62
Inchcape	1.62	Dunlop Est.	3.76xall
Malay Brew	5.60xd	Kempas	4.54
Malay Cemt	3.24	Tins	
Met. BxSing	†3.0	Austral. Am.	†5.0
Ov's Chin Bk	9.0	Berjuntai	8.0
Pan Electric	1.50	Kampar	†5.16
Robins'n Co	2.40	Kuchai	1.78
Rothman	4.16	Lower Perak	‡5.40
Shell	3.16	Petaling Tin	8.50
Sime Darby	3.32xd	Supreme Cp.	‡1.90
Cold St'r'ge	2.35	Tongkah Har.	‡4.0
Straits Ste'm.	2.52xd		
Straits Tms (1975) Ltd.	6.80		

† Bid. ‡ Seller.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	11¾	½-year	1,000	5-7
Poole (02013 5151)	10¾	½-year	500	5
Poole (02013 5151)	11¼	½-year	500	6-7
Redbridge (01-478 3020)	11	½-year	200	4-5
Redbridge (01-478 3020)	11¼	½-year	200	6-7
Wrekin (0952 505051)	11	yearly	1,000	2-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares
Abbey National	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Aid to Thrift	8.25	8.75	—	—
Alliance	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Anglia Hastings and Thanet	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bradford and Bingley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bridgwater	7.75	8.00	9.50	9.50 4 yrs., 9.10 2½ yrs., 8.75 2 yrs.
Bristol and West	7.75	8.00	9.25	—
Bristol Economic	7.75	8.00	9.25	8.25 3 months' notice
Britannia	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Burnley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Cardiff	7.75	8.50	9.50	—
Catholic	7.50	●8.20	9.00	— ● 8.40 over £5,000
Chelsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min. 8.50 3 mth.
Cheltenham and Gloucester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Citizens Regency	7.75	8.30	9.50	9.80 4 yrs., 9.30 3 yrs., 9.05 2 yrs.
City of London	8.00	8.30	9.25	9.35 3 yrs. increment share min. £500
Coventry Economic	7.75	8.00	9.25	9.00 3 yrs. min., 8.50 3 mths. notice
Coventry Provident	7.75	8.00	10.00	9.50 4 yrs., 9.25 3 yrs., 8.75 2 yrs.
Derbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
Ealing and Acton	7.75	8.50	—	9.15 2 yrs., £2,000 minimum sum
Gateway	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Greenwich	6.45	8.10	9.25	9.60 4 yrs., 9.10 3 yrs., 8.25 2 yrs.
Guardian	7.75	8.25	8.60	9.00 £1,000 3 months' notice
Halifax	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Heart of England	7.75	8.00	9.25	9.50 4 yrs., 8.50 3 months' notice
Hearts of Oak and Enfield	7.75	8.25	9.75	9.50 4 yrs., 9.00 2 yrs.
Hendon	8.00	8.50	—	9.00 6 months, minimum £2,000
Huddersfield and Bradford	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 mths.
Lambeth	7.75	8.30	9.75	9.00 3 months' notice, £250-£5,000
Leamington Spa	7.85	8.10	■10.97	8.85 2 years. ■ 3 years
Leeds Permanent	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Leicester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Liverpool	7.75	8.00	9.45	9.60 4/5 yrs., 8.60 2 yrs., min. £1,000
London Goldhawk	7.75	†8.50	†9.75	†9.25 2 yrs., †9.00 1 yr.
Melton Mowbray	7.85	8.10	9.25	8.85 2 yrs., minimum £2,000
Mornington	8.25	8.75	—	—
National Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
Nationwide	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Newcastle Permanent	7.75	8.00	9.30	9.50 4 yrs., 9.30 3 yrs., 9.00 2 yrs.
New Cross	8.50	8.75	—	—
Northern Rock	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Norwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
Paddington	7.40	8.40	10.00	9.00 3 mths., 9.25 6 mths., min. £1,000
Peckham Mutual	8.00	8.50	—	—
Portman	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Principality	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 3 mths.
Progressive	8.00	8.25	9.25	9.50 4 yrs., 9.00 2 yrs., 8.75 3 months
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Skipton	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Sussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
Town and Country	7.75	8.00	10.00	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Walthamstow	7.75	8.10	9.20	9.60 4 yrs., 8.85 3 mths. not. min. £500
Woolwich	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.

† Includes 0.25% Centenary Bonus throughout 1979.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

(By permission of the Stock Exchange Council)

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

The Treasury bill rate fell by 0.1562 per cent to 11.2863 per cent at yesterday's *tender* and the minimum accepted bid was £97.17½ *compared with* £97.14½ the previous week. Bids at that level were *met as to about* 99 per cent and above in full. The *£300m bills on offer* attracted bids of £1,178.665m and all bills offered *were allotted. Next week* a further £300m will be on offer replacing *maturities of £400m.*

Day-to-day credit remained in short supply in the money market and the authorities gave an exceptionally large amount of assistance. They bought a small amount of Treasury bills all direct from the discount houses and a moderate amount of eligible bank bills, the latter being for resale at fixed future dates. The authorities also lent an exceptionally large amount to 8 or 9 houses at MLR for repayment on Monday. The market was faced with a fairly large net take up of Treasury bills to finance and the repayment of Thursday's large market borrowing. There was also a small increase in the notes circulation. On the other hand Government disbursements exceeded revenue transfers to the Exchequer by a fairly large amount.

In the interbank market overnight loans opened at 12¼-12½ per cent and dipped to 5-6 per cent at one point before closing at 8-10 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Attention centred primarily on sterling in yesterday's foreign exchange market, with other currencies showing very little movement ahead of the weekend. Demand for sterling was seen coming from Germany, although uncertainty ahead of the General Election still led to a number of erratic movements during the day. Against the dollar, the pound opened at $2.0490 and briefly touched $2.0520 before settling back to around $2.0460. However, demand increased during the afternoon and it rose to $2.0585 before closing at $2.0545-2.0555, a rise of 1.2 cents from Thursday's close. On Bank of England figures, the pound's trade weighted index improved to 66.5 at the close from 66.1, having stood at 66.3 at noon and in the morning.

The dollar showed very little *movement with business holding* off ahead of the U.S. trade figures, the latter being due after the close in London. Against the D-mark it finished at DM 1.8925 from DM 1.8915 and SwFr 1.7140 against SwFr 1.7100 in terms of the Swiss franc. Its best performance was probably against the Japanese yen where it rose to Y219.70 *from* Y218.0. On Bank of England figures, the dollar's trade weighted index edged slightly higher to 86.1 from 86.0.

Gold improved $2¼ an ounce *to $244¼-245¼ in quiet trading,* although activity was sharply *increased by the opening of U.S.* markets. On the week gold has *improved $9¼. The Krugerrand's* premium over its gold content *narrowed to 5.35 per cent from* 5.61 per cent for domestic delivery, but *widened slightly* from 3.04 per cent to 3.11 per *cent in international dealings.*

OTHER MARKETS

THE POUND SPOT AND FORWARD

LONDON MONEY RATES

GOLD

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.25-10.35 per cent; three months 10.40-10.50 per cent; six months 10.65-10.75 per cent; one year 10.65-10.75 per cent.

Apr. 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11¾-12¼	10-10¼	9⅞-10⅛	7-7¼	1-1⅛	4⅞-5	15-25	10-11	—	⅛-5⅜
7 day's notice	11¾-12¼	10⅛-10⅜	9⅞-10⅛	7-7¼	1-1⅛	4⅞-5	15-25	10½-11½	10⅛-10⅜	5⅛-4⅝
Month	12-12⅜	10⅞-11⅛	10¾-11⅛	7-7¼	1¼-1⅜	5⅛-5¼	8½-9¼	11-12	10⅜-11⅛	4¼-5¼
Three months	12-12⅜	10⅞-10⅞	10¾-11⅛	7¼-7½	1⅛-1⅛	5⅛-5⅝	8⅞-9⅞	11½-12½	10⅜-10⅞	4⅛-5⅜
Six months	12-12⅜	10⅞-11⅛	10⅝-11	7⅝-7⅞	2¼-2⅝	5⅞-6	9⅝-9⅞	12-13	10⅞-10⅞	5⅛-5⅞
One year	12-12⅜	10⅞-10⅞	10⅞-10⅞	7⅞-8⅛	2⅝-2⅞	6¼-6⅝	9¼-9¾	12¼-13¼	10⅞-10⅞	5⅞-6⅜

Long-term Eurodollar deposits: Two years 10⅞-10⅞ per cent; three years 10⅞-10⅞ per cent; four years 10-10⅛ per cent; five years 9⅞-10⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 27/4/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Associated Paper 9½pc Cv. 85-90	1.06	118.00	200.0	76-80	8.2	6.5	− 4.8	−10 to 1	10.9	9.0	− 1.5	+ 3.3
Bank of Ireland 10pc Cv. 91-96	1.20	181.00	47.6	77-80	5.5	2.3	− 9.5	−10 to 1	0.0	9.3	4.6	+14.1
British Land 12pc Cv. 2002	7.71	263.00	333.3	80-97	4.6	2.6	− 0.1	−10 to 15	0.0	89.4	34.0	+34.1
English Property 6½pc Cv. 98-03	3.27	140.00	234.0	76-80	4.6	3.6	− 0.3	− 4 to 2	11.7	3.1	− 6.1	− 5.9
English Property 12pc Cv. 00-05	15.31	96.00	150.0	76-84	12.5	12.5	6.7	4 to 44	27.2	41.1	15.4	+ 8.8
Hanson Trust 6½pc Cv. 88-93	4.51	93.00	57.1	76-80	7.0	7.4	− 5.4	−10 to −0	6.2	3.1	− 3.2	+ 2.2
Slough Estates 10pc Cv. 87-90	5.50	226.00	125.0	78-85	4.5		2.1	2 to 11	35.1	43.9	4.0	+ 1.8
Thorn Electrical 5pc Cv. 90-94	4.19	136.00	29.1	75-80	3.7	1.6	− 2.2	− 7 to 2	9.0	8.9	− 1.5	+ 0.7
Tozer, Kemsley 8pc Cv. 1981	0.75	90.00	153.9	74-79	8.9	12.7	4.5	4 to 35	5.7	0.0	− 6.7	−11.1
Ultramar 7pc net R.Cv.Pfd.	14.97	1.63	0.5	76-82	6.5	2.9	0.2	− 2 to 13	0.0	26.5	16.3	+16.1
Wilkinson Match 10pc Cv. 83-98	11.10	92.00	40.0	76-83	11.3	11.4	27.1	21 to 38	26.8	35.5	12.1	−15.0

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

First week of election Account ends quietly but late rally leaves 30-share index up one point at 547.9

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 9	Apr. 19	Apr. 20	May 7
Apr. 23	May 3	May 4	May 15
May 8	May 17	May 18	May 30

* "New time" dealings may take place from 9.30 am two business days earlier.

Publication of another opinion poll emphasising the contracting Tory lead over Labour tended to restrain investment activity in equity markets yesterday and the first leg of the election Account ended on an extremely quiet note. Government stocks, however, responded to the rally in sterling and edged forward in a slightly better trade.

Once again, there was a noticeable absence of institutional demand which was responsible earlier this week for taking equities to record levels. A marked reluctance was shown by operators to take up positions ahead of further opinion polls this weekend and this contributed towards the early downward drift in leading shares.

Against this background, the FT 30-share index gradually eased to record a loss of 3.1 at 3 pm before staging a technical rally, which started modestly but gained momentum after the official close, and left the index a net point higher at 547.9 for a gain of 9.2 on the week. Elsewhere, the prevailing quiet conditions were enlivened by company trading statements and the occasional bout of speculative interest.

British Funds warmed to the recovery in the sterling exchange rate. Investment activity improved, particularly at the short end of the market where small opening losses were soon regained and eventually replaced by gains extending to ¼; the Variable coupon issues were again to the fore. Mediums and longs were less busy because of the next week's call of £57½ on Exchequer 12¼ per cent 1999, but still managed improvements ranging to ¼.

In the face of selling pressure associated with the Hudson's Bay bid situation, recent buyers of investment currency withdrew and in thin trading conditions the premium reacted sharply to 58 per cent before closing a net four points down at 58¼ per cent. Sterling's recovery yesterday also contributed to the dull scene. The SE conversion factor was 0.8009 (0.7854).

A. Gibbs easier

Reflecting the quieter conditions in equities, Traded options attracted 1,072 contracts or less than half the previous day's total. It brought the week's average, however, to 1,699, the highest this month. Marks and Spencer were again the most active issue with 276 trades reported.

Little interest developed in a lethargic banking sector. Antony Gibbs cheapened 1½ to 48½p following the lower annual profits, while similar reactions were recorded in Guinness Peat, 108p, and Wagon Finance, 50p. Overseas issues made progress with ANZ closing 8 better at 280p and Bank of New South Wales 10 to the good at 225p, despite the lower dollar premium.

Falls ranging to 5 were recorded in Insurances. Hambro Life eased that much to 635p, while Prudential slipped 4 to 186p. Edinburgh and General reacted 2 to 30p; Mr. D. P. Douetil and family have acquired an 8.89 per cent stake.

Breweries and kindred issues drifted lower owing mainly to a paucity of buyers, although some small selling was noted. Among the leaders, Bass eased 2 at 229p and Whitbread shed a penny to 139p. Selective secondary counters, however, closed with modest gains. Wolverhampton and Dudley added 4 to a new peak of 298p, while Gibbs Mew, dealt under a special rule, firmed 3 for a two-day rise of 9 to 173p.

With the exception of Tarmac, which rose 10 to 203p on annual profits well above expectations, Building issues passed a rather quiet session and often finished with modest falls. Brown and Jackson, a particularly strong market of late on the capitalisation proposals and acquisitions, reacted 10 to 630p, but still held a gain on the week of 85. By contrast, Sheffield Brick, a depressed market since Wednesday's lower annual profits, fell 4 more to 58p for a loss of 18 since the announcement. Elsewhere, the chairman's comments about current prospects stimulated a small interest in Carron, which firmed 3 to 92p.

ICI traded within narrow limits and settled at the overnight level of 403p, while Fisons, 5 cheaper at one stage on an adverse Press mention, subsequently rallied to close unchanged at 298p. Rentokil provided an isolated firm spot at 108p, up 5, but Hickson and Welch slipped 8 to 247p. The only loss left Burrell down ½ at 12½p.

Moss Bros. firm

Easier conditions prevailed among leading Stores although closing quotations were a penny or so above the day's lowest levels. Small nervous offerings ahead of Monday's preliminary results left British Home 2 lower at 245p, after 244p, while Marks and Spencer softened a penny to 125p, after 124p. Gussies A declined 4 to 424p and Woolworth receded 1½ to 82½p, the latter awaiting further news of the bid situation regarding Brascan and its U.S. parent company. Elsewhere, Moss Bros. gained 5 to 260p in response to Press comment but Arthur Henriques eased 2 to 34p following un-inspiring first-quarter figures. Profit-taking after the recent strength clipped 6 from Harris Queensway, at 254p, but buying in a thin market lifted Alfred Preedy 6 to 108p. Among Shoes, Allebone gave up a penny to 28½p, news of the higher annual profits being overshadowed by the Board's bearish remarks about current trading.

Details of the group's £1.5m expansion move into the microprocessor technology field stimulated Brocks which improved steadily to close 15 higher at the day's best of 137p. Elsewhere in Electricals, a late rally helped the leaders to close a shade harder on balance and GEC finished a penny better at 431p, after 428p.

A more detailed assessment of the annual results caused dullness in Vickers, which eased to 197p before settling with a net fall of 6 at 19[illegible]. Other leading Engineers rarely strayed from overnight closing levels. John Brown ended a shade better at 571p, after being down to 566p, but Hawker, 236p, closed 2 cheaper. Interest in secondary issues was at a low ebb and changes were few. Among the occasional bright spot, Williams and James firmed 5 to 222p, while Press mention stimulated buying interest in Birmingham Mint, 6 to the good at 147p. On the other hand, Averys, a firm market of late on speculative demand, reacted 4 to 252p, and sporadic profit-taking left Hall Engineering 2 cheaper at 148p.

Easier for choice for most of the session, Foods rallied late. The Price Commission's decision to freeze bread prices, however, continued to weigh on AB Foods, which eased a penny to 76p, and RHM, ½ easier at 48p. Selected leaders attracted a late interest and J. Sainsbury improved 5 to 338p, while Associated Dairies reverted to the overnight level of 255p, after 253p. Press mention lifted Cartiers 3 to 134p, but Lockwoods were marked down 6 to 106p on the lower interim profits.

BOC better

BOC International claimed most attention among the miscellaneous industrial leaders following a broker's upward revision of its profit prediction and the close was 3½ up at a 1979 peak of 78p. Elsewhere, companies reporting trading statements provided the main points of interest. The shock announcement of an annual deficit and dividend cut depressed Hestair, which fell to 52p before closing a net 8 down at 55p. Lower profits also unsettled Whatman Reeve Angel, 6 off at 256p, and H. Goldman cheapened 2 to 19½p despite the reduced loss. Nervous selling ahead of next Thursday's results left Henry Boot 5 lower at 95p, while Hunting Associated gave up 5 to 225p ahead of Monday's preliminary results. Chubb, on the other hand, rose 4 to 166p in response to Press mention and Copydex gained 7 to 59p after comment on the better-than-expected results. Still drawing strength from favourable trading news, United Carriers advanced 6 to 122p, while improvements of 7 and 8 respectively were recorded in G. W. Sparrow, 119p, and Centreway Securities, 345p. Scotcros put on 4 to 84p and Hoover "A" at 180p, retrieved the previous day's fall of 10 on second-thoughts about the first-quarter statement.

The adverse effects of York Trailer's first-quarter loss, due mainly to the road haulage dispute, were offset by the company's report of an influx of new orders and the shares gained 4 to 50p. Among Distributors, T. C. Harrison benefited from Wednesday's preliminary results and rose 7 to 152p for a gain on the week of 20. Harold Perry put on 4 to 176p on further consideration of Thursday's final statement, while Lex Service responded to the chairman's optimistic statement at the annual meeting with a rise of 4½ to 15p. Dunlop met with fresh demand late and improved a net 2 to 77p, but Flight Refuelling eased that much to 278p, still unsettled by the previous day's full-year results.

Newspapers traded quietly and closed slightly easier on balance. News International, a good market of late following the capital proposals, met with a little profit-taking and ended 3 cheaper at 375p.

Interest in Properties was again confined to selected issues. Hammerson "A" firmed 15 to 865p in response to increased annual profits, while renewed speculative demand in restricted markets lifted Imry 50 for a two-day gain of 78 to 710p and Bradford 18 to 465p. Still reflecting the improved annual results plus 100 per cent scrip issue, Chesterfield added 10 more at 470p and, following the £4.3m acquisition of housebuilders Smith Group, C. H. Beazer added a penny at 85p. A small interest lifted United Real 10 to 430p, while Warnford Investment improved a like amount to 460p. Property Holding and Investment and Property and Reversionary "A" both continued to attract interest, gaining 5 to 400p and 415p, respectively.

Oils up late

Steady for most of the session, Oils attracted late inquiry and closed on a firm note. British Petroleum moved up 8 to 1230p and Shell added 12 at 790p. Tricentrol fell to 212p initially on the proposed £16.8m rights issue, but subsequently rallied on consideration of the accompanying increased first-quarter profits and proposed dividend increase to finish 8 up on balance at 230p. Ultramar picked up 4 at 314p, while Lasmo improved 16 to 180p and Siebens (UK) 6 to 244p. Still reflecting Thursday's disappointing annual results, Clyde shed 2 more to 152p.

Trusts turned easier, Caledonia falling 3 to 303p and Alliance 4 to 246p. New Throgmorton Capital, however, put on 4 at 222p.

Among Shippings, P&O added 3 at 88p, while Furness Withy advanced 4 to 263p; both companies are due to announce preliminary statements on Wednesday.

Generally idle Textiles were featured by knitwear manufacturers Towles, which rose 5 to 64p following the increased annual dividend and profits.

South African industrials tended easier with Abercom losing 7 to 103p. Plantations, on the other hand, moved ahead strongly in a restricted market with Castlefield, 18 better at 348p, and Inch Kenneth, 12 up at 155p, being particularly good. Bertams, 188p, and London Sumatra, 288p, both added 8. Highlands slipped a couple of pence to 110p, but retained a rise on the week of 11.

Quiet Mines

Activity in mining markets was on a much reduced scale than earlier in the week. London-based Financials showed minor losses on the day but were still substantially higher over the 5-day trading period reflecting the trend in the UK equity market.

Rio Tinto-Zinc, actively traded recently, were a penny cheaper on the day at 335p but remained 11 firmer over the longer on the week, while Gold Fields, steady at 246p, showed a 13 improvement on the week.

The downturn in the investment currency premium resulted in South African Golds being marked lower despite the continuing strength of the bullion price, which was finally $2.25 up at $244.875 an ounce—a rise on the week of $8.25.

Among the heavyweights falls of around a half-point were common to Randfontein, £27¼, Hartebeest, £13½, and Western Holdings, £18½, while medium and lower priced stocks showed Southvaal 13 lower at 515p and Leslie 3 off at 57p. A 3.1 decline in the Gold Mines index to 152.1 reduced the gain on the week to 12 points. The ex-premium index eased 0.1 to 121.8.

South African Financials were generally lower following the fall in the premium. Gold Fields of South Africa dropped ¼ to £18 and Amgold ¼ to £16½. On the other hand, Anglo-Vaal hardened ¼ to £11½ in response to Johannesburg interest.

Platinums continued to improve on confirmation of the widely predicted producer metal price increases announced by Impala and Rustenburg. Impala touched 200p before closing 2 firmer on balance at 198p, while Rustenburg added a similar amount at 137p.

FINANCIAL TIMES STOCK INDICES

	April 27	April 26	April 25	April 24	April 23	April 20	A year ago
Government Secs.	74.99	74.80	74.85	75.04	74.70	74.63	71.28
Fixed Interest	76.97	76.82	76.75	77.00	76.76	76.85	74.57
Industrial	547.9	546.9	552.7	547.0	536.0	538.7	465.7
Gold Mines	152.1	155.2	151.6	147.2	141.6	140.1	147.7
Gold Mines(Ex-$ pm)	121.8	121.9	120.2	117.9	114.7	114.5	99.9
Ord. Div. Yield	5.32	5.31	5.26	5.31	5.42	5.40	5.77
Earnings, Yld. % (full)	14.24	14.24	14.09	14.23	14.51	14.47	17.39
P/E Ratio (net) (*)	9.00	9.00	9.09	9.01	8.83	8.85	7.62
Dealings marked	6,271	6,192	5,620	5,632	6,043	4,188	5,406
Equity turnover £m.	—	128.23	124.07	126.04	104.26	116.03	87.80
Equity bargains total	—	24,851	20,881	20,352	18,276	11,784	16,941

10 am 546.4. 11 am 546.1. Noon 544.6. 1 pm 544.8.
2 pm 544.2. 3 pm 543.8.
Latest Index 01-246 8026.
*Nil=8.74.

Basis 100 Govt. Secs. 15/10/26. Fixed int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex. $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.84 (12/4)	[illegible] (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.34 (17/4)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	552.7 (25/4)	446.1 (12/2)	552.7 (25/4/79)	49.4 (26/6/40)
Gold Mines	185.8 (6/2)	129.9 (17/4)	442.3 (22/5/75)	43.5 (28/10/71)
Gold Mines $ (Ex-pm)	125.6 (25/5)	95.2 (12/1)	337.1 (6/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	April 27	April 26
—Daily		
Gilt Edged	111.3	104.6
Industrials	236.5	241.8
Speculative	47.2	38.6
Totals	142.7	140.9
5-d'y Av'r'ge		
Gilt Edged	97.6	93.5
Industrials	220.0	204.0
Speculative	42.9	39.6
Totals	150.9	121.4

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	70	—	13	185	121	89
Corpns. Dom and Foreign Bonds	8	1	55	58	24	238
Industrials	206	430	777	2,183	1,059	3,814
Financial and Prop.	77	190	229	1,125	382	1,026
Oils	14	7	17	72	35	82
Plantation	9	7	75	52	21	87
Mines	19	69	52	[illegible]	114	210
Others	21	76	[illegible]	[illegible]	[illegible]	[illegible]
Totals	424	781	1,184	4,398	1,912	5,759

LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1150	184	6	186	—	—	—	1227p
BP	1200	130	1	154	—	195	1	"
BP	1300	52	3	100	5	140	—	"
Com. Union	160	30	8	33	—	35	—	179p
Com. Union	180	15	9	18	—	21	—	"
Cons. Gold	200	54	3	59	—	—	—	244p
Cons. Gold	220	34	26	46	—	57	—	"
Cons. Gold	240	22	24	30	—	42	—	"
Cons. Gold	260	12	10	19	—	27	—	"
Courtaulds	100	12	50	—	—	—	—	111p
GEC	500	—	7	—	1	—	—	428p
GEC	350	180	12	183	1	—	—	"
GEC	390	80	5	84	—	100	—	"
GEC	420	45	23	67	—	85	—	"
GEC	460	26	94	40	—	57	—	"
Grand Met.	140	41½	1	42	—	—	—	178p
Grand Met.	160	26½	9	31½	—	35	—	"
Grand Met.	180	18½	14	21	—	25	—	"
ICI	390	40	5	47	—	56	—	403p
Land Secs	300	30	18	43	—	56	—	308p
Land Secs	330	18	25	28	—	42	—	"
Marks & Sp.	100	25	8	30	—	—	—	124p
Marks & Sp.	120	18	169	21	10	29	—	"
Marks & Sp.	130	11	76	17	—	23	—	"
Shell	750	87	10	110	—	142	—	782p
Shell	800	53	1	78	—	113	—	"
Totals			655		19			
		May		August		November		
BOC Intl.	70	10	31	14	23	18	—	79p
BOC Intl.	80	4½	30	8	32	11	10	"
Boots	220	17	13	25	—	35	—	230p
Boots	240	7	52	14	—	25	—	"
EMI	130	10	4	21	—	29	—	153p
EMI	140	7	16	15	—	23	—	"
EMI	160	2	1	6½	—	—	—	"
Imperial GP	100	10	1	14	1	15	—	105p
Imperial GP	110	5	—	10	—	11	2	"
RTZ	240	96	—	105	1	—	—	335p
RTZ	300	36	5	62	—	84	—	"
RTZ	330	16	12	41	2	62	—	"
RTZ	360	8	97	30	24	45	2	"
Totals			282		103		14	

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	£1	12	1230	+8	1230	882
Shell Transport	25p	10	790	+12	790	556
Brocks Group	10p	9	137	+15	137	71
ICI	£1	9	403	—	410	346
RTZ	25p	9	335	−1	344	226
Barclays Bank	£1	8	490	−2	500	360
Gus A	25p	8	424	−4	432	288
BATs Defd.	25p	7	297	−3	337	250
BOC Intl.	25p	7	78	+3½	78	65½
Beecham	25p	7	720	−2	755	592
Boots	25p	7	230	−1	238	184
Hepworth Crmic.	25p	7	123	+1	126	74½
Midland Bank	£1	7	440	—	445	348
NatWest Bank	£1	7	380	—	385	278
Sun Alliance	£1	6	652	—	652	474

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163 (1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
BP	£1	80	1230	+40	1230	882
Shell Transport	25p	77	790	+33	790	556
ICI	£1	69	403	+1	410	346
RTZ	25p	64	335	+11	344	226
GEC	25p	58	431	+10	433	311
Barclays Bank	£1	56	490	+17	500	360
BATs Defd.	25p	49	297	+1	337	250
Beecham	25p	47	720	+17	755	592
Marks & Spencer	25p	47	125	−2	131	83
Unilever	25p	46	644	+30	680	520
Slough Ests. 8% Cnv. 1991-94	Nil/pd.	45	£15½pm	+2½*	£18½pm	£13pm
Grand Met.	50p	44	173	+2	175	112
Boots	25p	43	230	−3	238	184
Rank Org.	25p	42	282	+6	300	236
Royal Insurance	25p	42	425	−7	443	325

* Based on Monday's opening price.

BASE LENDING RATES

A.B.N. Bank	12 %	■ Hill Samuel	§12 %
Allied Irish Banks Ltd.	12 %	C. Hoare & Co.	†12 %
Amro Bank	12 %	Julian S. Hodge	13 %
American Express Bk.	12 %	Hongkong & Shanghai	12 %
A P Bank Ltd.	12 %	Industrial Bk. of Scot.	12½%
Henry Ansbacher	12 %	Keyser Ullmann	12 %
Associates Cap. Corp.	13 %	Knowsley & Co. Ltd.	13½%
Banco de Bilbao	12 %	Lloyds Bank	12 %
Bank of Credit & Cmce.	12 %	London Mercantile	12 %
Bank of Cyprus	12 %	Edward Manson & Co.	13 %
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Brit. Bank of Mid. East	12 %	P. S. Refson & Co.	12 %
■ Brown Shipley	12 %	Rossminster	12 %
Canada Perm't Trust	12 %	Royal Bk. Canada Tst.	12 %
Cayzer Ltd.	12 %	Schlesinger Limited	12 %
Cedar Holdings	12 %	E. S. Schwab	13 %
■ Charterhouse Japhet	12 %	Security Trust Co. Ltd.	13 %
Choulartons	12 %	Shenley Trust	14 %
C. E. Coates	12 %	Standard Chartered	12 %
Consolidated Credits	13 %	Trade Dev. Bank	12 %
Co-operative Bank	*12 %	Trustee Savings Bank	12 %
Corinthian Secs.	12 %	Twentieth Century Bk.	13 %
Credit Lyonnais	12 %	United Bank of Kuwait	12 %
The Cyprus Popular Bk	12 %	Whiteaway Laidlaw	12½%
Duncan Lawrie	12 %	Williams & Glyn's	12 %
Eagil Trust	12 %	Yorkshire Bank	12 %
English Transcont.	12½%		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		
■ Guinness Mahon	12 %		
■ Hambros Bank	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%. 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10%, and over £25,000 10½%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (111)
BRITISH FUNDS (2)
CORPORATION LOANS (2)
COMMONWLTH. & AFRICAN LOANS (3)
BEERS (2)
BUILDINGS (11)
CHEMICALS (1)
DRAPERY & STORES (7)
ELECTRICALS (4)
ENGINEERING (4)
FOODS (3)
INDUSTRIALS (18)
INSURANCE (1)
LEISURE (2)
MOTORS (6)
NEWSPAPERS (1)
PAPER & PRINTING (1)
PROPERTY (11)
SHIPPING (2)
TOBACCOS (1)
TRUSTS (20)
OILS (3)
RUBBERS (5)
MINES (1)

NEW LOWS (6)
BUILDINGS (1)
Brownlee
ENGINEERING (2)
Granges
Thread
INDUSTRIALS (2)
Hestair
Mathesons 7¼pc
INSURANCE (1)
Howden (A.)

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7
May 15	May 29	Aug. 9	Aug. 21

For rate indications see end of Share Information Service

Calls were done in Premier Oil, Tesco, UBM, Spillers, Lex Service, Selincourt, British Land, Town and City, Burrell, Lee Cooper, Samuel Properties, Lasmo, Arthur Bell, Cartiers, Sears, Britannia Arrow, Charterhall, P and O, New Throgmorton Warrants, Westland Aircraft and Copper-Neil. Puts were recorded in GUS A, GEC, BP, GKN, Shell Transport, Unilever, John Brown and Racal, while double options were arranged in Tesco, Spillers, Cons. Gold Fields and Selincourt.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
195	F.P.	—	194	190	††Appl. Computer	190	—	—	—	—	—
‡‡	F.P.	—	57½	42½	Bank Bridge 10p	52	−2½	—	—	—	—
65	F.P.	16/2	170	118	Hunting Assoc. Defd.	170	—	0.7	11.0	0.6	23.4

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
99¾	F.P.	—	99¾	99½	Cleveland (County of) Var. Rate 1984	99½	—
‡‡	F.P.	—	53½	53¼	Eng. Assoc. Sterling Fd. Fart. Red. Prf.	53½	—
‡100	F.P.	4/5	106p	103p	Grant (James) 10½% Pref.	105p	—
20p	Nil	20/5	1pm	1pm	Howl of Wyndh'm 9% Cnv. Cum. Red. Prf.	1pm	−½
96	£60	23/5	65	69¾	ICFC 12½% Uns. Ln 1992	65	—
‡	F.P.	27/4	102	100	Lec Valley Water 8% Red. Prf. 1986	102	—
‡‡	F.P.	—	108p	105p	Lyles 9½% 11% Cum. Pref.	108p	—
72½	F.P.	9/5	79	70½	MEPC 6½% Conv. Uns. Ln. 1995-2000	78½	—
100	Nil	25/5	1pm	1pm	Slough Ests. 8% Cnv. 1991-94	1pm	—
‡‡	F.P.	25/4	180p	104p	Tricoville 10½% Pref.	104p	—

"RIGHTS" OFFERS

Issue Price p	Stock
200c	Abercom Invs.
12	Armour Trust
185	Beatson Clark
115	Berec Group
20	Brent Chemicals
20	Crest Nicholson
26½	Davis & Metcalfe 'A'
33	Hirst & Mallinson
185	Johnson Matthey
5p	Maddock
34	Norfolk Cap. Hotels
44	Park Place Invs.
20	Single Holdings
100	Unicorn Inds.

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., April 27, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Thurs. April 26 Index No.	Wed. April 25 Index No.	Tues. April 24 Index No.	Mon. April 23 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (172)	279.80	−0.1	15.00	4.94	8.91	280.19	281.30	277.70	272.93	265.13	281.10 (25/4)	219.99 (2/2)	281.10 (25/4/79)	50.71 (13/12/74)
2 Building Materials (27)	260.96	−0.2	15.19	5.24	8.71	261.38	264.05	259.98	254.41	183.76	264.05 (25/4)	205.35 (12/2)	264.05 (25/4/79)	44.27 (11/12/74)
3 Contracting, Construction (28)	432.63	−0.2	18.41	4.80	7.55	433.67	431.11	426.69	419.78	326.14	433.67 (26/4)	323.88 (12/2)	433.67 (26/4/79)	71.48 (2/12/74)
4 Electricals (14)	676.42	+0.1	11.54	2.83	11.66	675.66	679.48	672.71	665.32	430.99	679.48 (25/4)	518.61 (12/2)	679.48 (25/4/79)	84.71 (25/6/62)
5 Engineering Contractors (12)	420.67	−0.3	16.77	4.63	7.63	421.93	423.98	423.98	417.58	268.44	423.98 (25/4)	338.02 (12/2)	423.98 (25/4/79)	64.39 (2/1/75)
6 Mechanical Engineering (75)	206.57	−0.4	16.58	5.58	7.92	207.31	207.40	204.84	201.58	163.89	207.40 (25/4)	171.47 (8/2)	207.40 (25/4/79)	45.43 (6/1/75)
8 Metals and Metal Forming (16)	188.22	−0.1	16.17	8.26	7.98	188.35	189.32	186.57	181.95	165.27	189.32 (25/4)	159.60 (12/2)	189.32 (25/4/79)	49.65 (6/1/75)
CONSUMER GOODS (DURABLE)(53)	253.38	+0.1	13.84	4.29	9.61	253.15	253.86	251.80	248.66	190.50	253.86 (25/4)	196.23 (8/2)	253.86 (25/4/79)	38.39 (6/1/75)
12 Lt. Electronics, Radio, TV (16)	344.40	−0.1	11.01	3.09	12.85	344.65	345.14	342.70	338.06	224.74	345.14 (25/4)	253.08 (8/2)	345.14 (25/4/79)	42.85 (13/12/74)
13 Household Goods (12)	177.83	+0.8	14.45	6.71	9.36	176.40	176.71	174.13	175.77	170.91	177.83 (27/4)	157.33 (12/2)	263.22 (4/5/72)	63.92 (17/12/74)
14 Motors and Distributors (25)	130.55	+0.3	19.85	6.39	6.23	130.17	129.92	127.84	128.19	108.68	130.55 (27/4)	108.68 (12/2)	170.59 (15/1/69)	19.91 (6/1/75)
CONSUMER GOODS (NON-DURABLE) (170)	261.85	−0.2	13.66	5.03	9.51	262.50	264.82	262.56	257.39	198.55	264.82 (25/4)	200.54 (12/2)	264.82 (25/4/79)	61.41 (13/12/74)
22 Breweries (14)	294.99	−0.3	12.93	5.10	9.90	295.92	299.16	297.00	290.59	226.83	299.16 (25/4)	220.79 (16/2)	299.16 (25/4/79)	69.47 (13/12/74)
23 Wines and Spirits (6)	338.73	−0.1	13.82	4.42	10.56	339.03	338.53	335.19	329.63	255.69	352.29 (29/3)	279.15 (2/1)	352.29 (29/3/79)	78.88 (13/12/74)
24 Entertainment, Catering (17)	367.22	+0.1	12.65	5.22	10.25	366.96	370.84	366.84	358.80	250.52	370.84 (25/4)	266.58 (12/2)	370.84 (25/4/79)	54.83 (9/1/75)
25 Food Manufacturing (19)	233.07	+0.4	14.77	4.91	7.63	231.93	233.98	230.22	224.66	190.99	233.98 (25/4)	178.57 (12/2)	233.98 (25/4/79)	59.67 (11/12/74)
26 Food Retailing (15)	316.31	+0.2	10.19	3.73	13.34	315.64	319.86	315.86	308.11	191.97	319.86 (25/4)	226.35 (12/2)	319.86 (25/4/79)	54.25 (11/12/74)
32 Newspapers, Publishing (12)	477.24	−0.6	19.48	5.37	7.28	480.17	482.02	476.09	482.00	361.99	482.02 (25/4)	366.08 (2/1)	482.02 (25/4/79)	55.08 (6/1/75)
33 Packaging and Paper (15)	151.51	−0.4	17.05	7.20	7.55	152.15	151.61	150.09	148.35	131.50	153.20 (28/3)	128.90 (12/2)	155.65 (14/9/78)	43.46 (6/1/75)
34 Stores (40)	263.45	−0.9	10.69	3.69	14.46	264.92	265.56	262.26	262.43	183.08	267.56 (25/4)	193.39 (8/2)	267.56 (25/4/79)	52.63 (6/1/75)
35 Textiles (23)	185.20	—	17.60	8.18	7.34	185.16	186.08	183.63	179.13	191.61	188.05 (27/3)	159.57 (12/2)	235.72 (17/1/67)	62.66 (11/12/74)
36 Tobaccos (3)	276.72	+0.2	20.58	7.44	5.58	276.13	279.59	275.94	271.60	238.57	294.86 (12/3)	234.27 (2/2)	339.16 (2/8/72)	94.34 (13/6/62)
37 Toys and Games (6)	88.81	−0.6	25.07	7.46	4.71	89.32	89.99	91.04	88.96	95.56	96.89 (29/3)	86.80 (8/1)	135.72 (16/1/70)	20.92 (6/1/75)
41 OTHER GROUPS (99)	228.40	−0.1	13.35	5.62	8.97	228.52	230.10	227.73	224.25	186.17	230.10 (25/4)	187.78 (12/2)	230.10 (25/4/79)	58.63 (6/1/75)
42 Chemicals (18)	319.97	+0.4	15.66	6.15	7.48	318.85	322.32	319.47	315.94	252.95	322.32 (25/4)	255.36 (12/2)	322.32 (25/4/79)	71.20 (13/12/74)
43 Pharmaceutical Products (7)	270.56	−0.2	9.98	4.38	12.33	271.16	273.97	269.54	264.22	249.18	285.48 (28/3)	230.45 (12/2)	291.13 (14/9/78)	54.31 (11/12/74)
44 Office Equipment (6)	148.39	+0.4	13.67	5.53	9.22	147.85	148.72	147.66	145.17	127.56	153.70 (29/3)	120.36 (9/2)	246.06 (1/9/72)	45.34 (2/1/75)
45 Shipping (10)	463.61	+0.2	15.56	5.86	7.10	462.65	464.14	459.76	451.18	452.18	464.92 (26/4)	402.08 (20/2)	539.68 (18/5/79)	90.80 (29/6/62)
46 Miscellaneous (56)	260.14	−0.4	15.20	5.68	8.55	261.11	263.17	260.93	255.29	170.77	263.17 (25/4)	201.67 (12/2)	263.17 (25/4/79)	60.39 (6/1/75)
49 INDUSTRIAL GROUP (494)	265.58	−0.1	14.06	5.09	9.23	265.98	267.71	265.09	260.48	203.17	267.71 (25/4)	209.35 (12/2)	267.71 (25/4/79)	59.01 (13/12/74)
51 Oils (6)	696.52	+1.1	11.34	3.12	9.37	689.15	694.31	689.83	677.49	470.14	696.52 (27/4)	497.86 (2/1)	696.52 (27/4/79)	87.23 (29/5/62)
59 500 SHARE INDEX (500)	300.66	+0.1	13.59	4.75	9.25	300.39	302.50	299.70	294.26	223.35	302.50 (25/4)	234.11 (12/2)	302.50 (25/4/79)	63.49 (13/12/74)
61 FINANCIAL GROUP (115)	213.29	−0.3	—	4.85	—	213.84	215.12	213.59	208.87	161.41	215.12 (25/4)	166.71 (12/2)	241.41 (11/4/72)	55.88 (13/12/74)
62 Banks (6)	245.84	−0.1	26.07	4.73	4.96	246.19	247.26	245.68	239.07	198.11	247.26 (25/4)	195.51 (12/2)	283.82 (20/7/72)	62.44 (12/12/74)
63 Discount Houses (10)	262.88	+0.3	—	7.08	—	262.02	261.77	262.23	268.19	207.38	270.54 (10/4)	205.35 (12/2)	295.13 (25/7/72)	61.92 (6/1/75)
64 Hire Purchase (5)	195.37	+0.5	16.42	4.52	7.82	196.28	200.09	199.94	199.94	157.22	200.94 (25/4)	152.69 (12/2)	433.74 (4/5/72)	38.83 (11/12/74)
65 Insurance (Life) (10)	174.00	−1.3	—	6.11	—	176.35	175.92	175.63	172.76	133.19	176.33 (26/4)	126.08 (12/2)	194.46 (15/3/72)	44.88 (2/1/75)
66 Insurance (Composite) (8)	151.64	−0.5	—	6.22	—	152.41	153.81	152.70	151.45	125.36	153.81 (25/4)	125.36 (12/2)	161.72 (16/11/78)	43.96 (13/12/74)
67 Insurance Brokers (10)	328.47	−1.2	15.10	5.85	9.53	332.54	334.85	329.27	321.66	335.69	339.65 (28/3)	292.37 (9/2)	372.22 (11/8/78)	65.86 (16/12/74)
68 Merchant Banks (14)	100.65	−0.8	—	5.19	—	101.42	101.82	101.16	99.09	77.62	101.82 (25/4)	74.91 (12/2)	278.57 (1/5/72)	31.21 (7/1/75)
69 Property (42)	364.75	+0.6	3.11	2.24	49.36	359.55	360.30	357.48	351.73	251.53	361.75 (27/4)	267.26 (2/2)	361.75 (27/4/79)	56.01 (20/4/65)
70 Miscellaneous (10)	130.59	+0.4	17.26	6.36	7.65	130.58	130.11	127.28	125.19	106.31	130.59 (27/4)	109.05 (12/2)	303.18 (28/5/72)	33.29 (17/12/74)
71 Investment Trusts (111)	245.64	−0.7	—	4.47	—	248.31	247.67	244.64	240.69	182.95	248.31 (26/4)	193.24 (12/2)	248.31 (26/4/79)	71.12 (13/12/74)
81 Mining Finance (4)	141.81	−0.2	14.15	5.55	8.46	142.07	146.94	149.35	145.57	103.85	150.53 (26/4)	97.13 (2/1)	150.53 (26/4/79)	66.31 (30/9/74)
91 Overseas Traders (20)	366.90	−0.2	13.69	6.88	9.29	367.70	371.34	364.39	364.39	309.72	380.98 (29/3)	291.93 (9/2)	380.98 (29/3/79)	97.37 (6/1/75)
99 ALL-SHARE INDEX (750)	276.49	−0.1	—	4.81	—	276.63	278.39	275.46	270.70	208.45	278.39 (25/4)	213.41 (12/2)	278.39 (25/4/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

British Government	Fri. April 27	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	107.79	−0.21	—	3.01
2 5-15 years	122.49	+0.35	—	2.90
3 Over 15 years	128.19	+0.34	—	4.95
4 Irredeemables	137.03	+0.40	—	5.08
5 All stocks	118.50	+0.30	—	3.73

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

		Fri. April 27	Thurs. April 26	Year ago (approx.)	1979 Highs	1979 Lows
1 Low Coupons	5 years	9.30	9.34	8.43	10.76 (8/2)	8.86 (8/3)
2	15 years	10.19	10.23	10.08	11.84 (8/2)	10.13 (8/3)
3	25 years	10.77	10.81	11.36	12.24 (8/2)	10.59 (12/4)
4 Medium Coupons	5 years	10.83	10.91	10.61	12.61 (8/2)	10.58 (24/4)
5	15 years	11.43	11.46	12.11	13.95 (8/2)	11.23 (12/4)
6	25 years	11.67	11.69	12.29	13.95 (8/2)	11.67 (27/4)
7 High Coupons	5 years	11.17	11.26	11.54	13.35 (8/2)	10.96 (12/4)
8	15 years	11.81	11.81	12.67	14.52 (8/2)	11.69 (12/4)
9	25 years	11.88	11.98	12.98	14.48 (8/2)	11.88 (27/4)
10 Irredeemables		10.58	10.61	11.07	12.98 (8/2)	10.48 (12/4)

	Fri., April 27 Index No.	Yield	Thur. April 26	Wed. April 25	Tues. April 24	Mon. April 23	Fri. April 20	Thur. April 19	Wed. April 18	Year ago (approx.)	1979 Highs	1979 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	61.45	12.89	61.51	60.75	60.75	60.70	60.60	60.61	60.52	64.42	61.51 (26/4)	57.59 (8/2)	113.43 (28/11/47)	57.06 (6/1/75)
16 Investment Trust Prefs. (15)	52.61	13.25	52.31	52.07	52.85	52.83	52.83	52.32	54.84	58.07	52.61 (27/4)	47.01 (8/2)	114.41 (18/1/46)	44.54 (6/1/75)
17 Coml. and Indl. Prefs. (20)	73.20	12.89	73.10	72.80	73.65	73.66	74.70	74.78	71.81	76.65	74.78 (19/4)	66.81 (8/2)	114.96 (19/1/46)	63.46 (6/1/75)

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Miscellaneous Financial	31/12/70	128.06
Other Groups	31/12/74	63.75	Food Manufacturing	29/12/67	114.13
Overseas Traders	31/12/74	100.00	Food Retailing	29/12/67	114.13
Engineering Contractors	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Mechanical Engineering	31/12/71	153.84	Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	154.78	All Other	10/4/62	100.00
Toys and Games	16/1/70	135.72	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20			
Industrial	16/1/70	128.20			

(Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings yields since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4 at £8 per copy.

CONSTITUENT CHANGE: English Property Corporation has been replaced by Bush and Hoggett Group (Property).

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. (a)
Allen Harvey & Ross Unit Tst. Mgrs.
Allied Hambro Group (a) (g)
Anderson Unit Trust Managers Ltd.
Ansbacher Unit Mgmt. Co. Ltd.
Arbuthnot Securities Ltd. (a)(c)
Archway Unit Tst. Mgs. Ltd.
Barclays Unicorn Ltd. (a)(c)(g)
Baring Brothers & Co. Ltd. (a)(x)
Bishopsgate Progressive Mgmt. Co.
Bridge Fund Managers (a)(c)
Britannia Trust Management (a)(c)(g)
The British Life Office Ltd. (a)
Brown Shipley & Co. Ltd.
Canada Life Unit Tst. Mngrs. Ltd.
Capel (James) Mngt. Ltd.
Carliol Unit Fd. Mgrs. Ltd. (a)(c)
Charities Official Invest. Fund
Charinco Charities N/R Fund
Chieftain Trust Managers Ltd. (a)(g)
Confederation Mgt. Ltd. (a)
Cosmopolitan Fund Managers
Craigmount Unit Tst. Mgrs. Ltd.
Crescent Unit Tst. Mngrs. Ltd. (a)(g)
Discretionary Unit Fund Managers
E. F. Winchester Fund Mngt. Ltd.
Emson & Dudley Tst. Mngmt. Ltd.
Equity & Law Un. Tr. M. (a)(b)(c)
James Finlay Unit Trust Mngt. Ltd.
Framlington Unit Mgt. Ltd. (a)
Friends' Provdt. Unit Tr. Mgrs.
Funds in Court
G.T. Unit Managers Ltd.
G. & A. Trust (a) (g)
Gartmore Fund Managers (a)(g)
Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
Govett (John)
Grieveson Management Co. Ltd.
Guardian Royal Ex. Unit Mgrs. Ltd.
Henderson Administration (a)(c)(g)
Hill Samuel Unit Tst. Mgrs. (a)
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Reliance Unit Mgrs. Ltd.
Ridgefield Management Ltd.
Rothschild Asset Management (g)
Rowan Unit Trust Mngt. Ltd. (a)
Royal Tst. Can. Fd. Mgrs. Ltd.
Save & Prosper Group
Schlesinger Trust Mngrs. Ltd. (a)(z)
J. Henry Schroder Wagg & Co. Ltd.
Scottish Equitable Fnd. Mgrs. Ltd.
Sebag Unit Tst. Managers Ltd. (a)
Security Selection Ltd.
Stewart Unit Tst. Managers Ltd. (a)
Sun Alliance Fund Mngt. Ltd.
Target Tst. Mngrs. Ltd. (a)(g)
Target Tst. Mgrs. (Scotland) (a)(b)
Trades Union Unit Tst. Managers
Transatlantic and Gen. Secs. Co.
Tyndall Managers Ltd.
TSB Unit Trusts (y)
Ulster Bank (a)
Unit Trust Account & Mgmt. Ltd.
Wieler Growth Fund

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Barclays Life Assur. Co. Ltd.
Beehive Life Assur. Co. Ltd.
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Commercial Union Group
Confederation Life Insurance Co.
Cornhill Insurance Co. Ltd.
Credit & Commerce Insurance
Crown Life Assurance Co. Ltd.
Crusader Insurance Co. Ltd.
Eagle Star Insur./Midland Assur.
Equity & Law Life Ass. Soc. Ltd.
Gartmore Bonds
General Portfolio Life Ins. C. Ltd.
Gresham Life Ass. Soc. Ltd.
Growth & Sec. Life Ass. Soc. Ltd.
Guardian Royal Exchange
Hambro Life Assurance Limited
Hearts of Oak Benefit Society
Hill Samuel Life Assur. Ltd.
Imperial Life Ass. Co. of Canada
Irish Life Assurance Co. Ltd.
King & Shaxson Ltd.
Langham Life Assurance Co. Ltd.
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Legal & General Prop. Fd. Mgrs. Ltd.
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London A'deen & Nthn. Mtl. Assur. Ltd.
The London & Manchester Ass. Gp.
M & G Group
Merchant Investors Assurance
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NPI Pensions Management Ltd.
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Property Growth Assur. Co. Ltd.
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Provincial Life Assurance Co. Ltd.
Prudential Pensions Limited
Reliance Mutual
Rothschild Asset Management
Royal Insurance Group
Save & Prosper Group
Schroder Life Group
Scottish Widows' Group
Solar Life Assurance Limited
Sun Alliance Fund Mangmt. Ltd.
Sun Alliance Linked Life Ins. Ltd.
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Transinternational Life Ins. Co. Ltd.
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Tyndall Assurance/Pensions
Vanbrugh Life Assurance
Vanbrugh Pensions Limited
Welfare Insurance Co. Ltd.
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Allen Harvey & Ross Inv. Mgt. (C.I.)
Arbuthnot Securities (C.I.) Limited
Australian Selection Fund NV
Bank of America International S.A.
Banque Bruxelles Lambert
Barbican Managers (Jersey) Ltd.
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Barclays Unicorn Int. (I.o.Man) Ltd.
Bishopsgate Commodity Ser. Ltd.
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Bridge Management Ltd.
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Butterfield Management Co. Ltd.
Capital International S.A.
Charterhouse Japhet
Clive Investments (Jersey) Ltd.
Cornhill Ins. (Guernsey) Ltd.
DWS Deutsche Ges. F. Wertpapiersp
Delta Group
Deutscher Investment-Trust
Dreyfus Intercontinental Inv. Fd.
Emson & Dudley Tst. Mgt. Jrsy. Ltd.
The English Association
Eurobond Holdings N.V.
F. & C. Mgmt. Ltd. Inv. Advisers
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Fidelity Mgmt. Research (Jersey) Ltd.
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Negit Ltd.
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NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. ♦ Guernsey gross. ♦ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	1979 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
97⅜	94⅝	Treasury 3pc '79‡‡	97⅜	.....	3.08	10.04
97⅞	95⅛	Electric 4¼pc '74-79	97⅞	.....	4.34	9.57
100¼	54⅝	Treasury 10½pc '79‡‡	100xd	.....	10.50	10.42
96⅞	94½	Electric 3½pc '76-79	96¾xd	.....	3.62	9.77
99⅝	95⅞	Treasury 9pc 1980‡‡	99 1/16	.....	9.09	10.09
99⅜	95 11/16	Treasury 9½pc '80‡‡	99 1/16xd	.....	9.59	10.47
95¾	92¼	Treasury 3½pc '77-80	95⅜	.....	3.67	7.85
96	92⅞	Funding 5¼pc '78-80‡‡	95¾	.....	5.48	9.29
103½	99 3/16	Exchequer 13pc 1980‡‡	103¼xd	+⅛	12.59	10.70
102⅛	96 11/16	Treasury 11½pc 1981‡‡	101 3/16	+⅛	11.37	10.68
93½	88⅜	Treasury 3½pc 1979-81	93½	.....	3.74	7.42
99 3/16	92 3/16	Treasury 9¾pc 1981‡‡	99	+ 1/16	9.85	10.31
96 5/16	89½	Exch. 8¼pc 1981	96	+ 1/16	8.59	10.39
98 5/16	91⅛	Exch. 9½pc 1981	98	+ 1/16	9.69	10.50
91⅛	84¼	Exch. 3pc 1981	90½	.....	3.31	7.55
98 5/16	96	Treas. Variable '81§§	98 5/16xd	+ 1/16	12.19	12.74
104½	97 7/16	Exch. 12¾pc 1981‡‡	104 5/16xd	+⅛	12.24	10.84
96⅞	88	Treas. 8½pc '80-82‡‡	95⅞	+⅛	8.87	10.26
89½	82	Treasury 3pc '82‡‡	88⅝	.....	3.39	7.58
108⅝	100⅜	Treasury 14pc '82‡‡	107⅜	+ 3/16	13.04	10.91
96 13/16	94⅜	Treas. Variable '82§§	96¼	+ 1/16	12.34	13.21
95¼	85⅞	Treasury 8¼pc '82	94⅝	+¼	8.72	10.27
97¼	86½	Exch. 9¼pc 1982	96⅜	+ 3/16	9.60	10.52
95¾	84⅝	Exch. 8¾pc 1983	95⅛	+¼	9.20	10.35
86⅛	78¼	Exch 3pc '83	85½	.....	3.51	7.43
104⅞	93⅛	Treasury 12pc 1983‡‡	103½	+ 3/16	11.59	10.84
104	93⅛	Treas. 12pc '83 A‡‡	103⅛	+ 3/16	11.64	10.95
94 13/16	93½	Treas. Variable '83§§	94 13/16xd	+ 1/16	13.04	13.66
96½	84½	Treasury 9¼pc '83	96	+¼	9.64	10.44
97 5/16	85½	Exch. 10pc 1983	96⅞	+ 1/16	10.32	10.86
89½	78¾	Funding 5½pc '82-84‡‡	89	.....	6.18	8.36

Five to Fifteen Years

1979 High	1979 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
110	99¼	Exch. 12¼pc 1985	104¾xd	+¼	11.67	11.16
93⅞	80	Treasury 8½pc '84-86‡‡	92⅞	+¼	9.41	10.44
111	97¼	Exch. 13¼pc 1987	110	+¼	12.19	11.50
83¾	72½	Funding 6½pc '85-87‡‡	82⅝xd	+¼	7.87	9.66
87⅞	73½	Treasury 7¾pc '85-88‡‡	86⅞	+¼	9.13	10.42
70⅜	58⅝	Transport 3pc '78-88	68½	+¼	4.44	8.08
72⅜	61⅛	Treasury 5pc '86-89	71⅝	+⅜	7.00	9.33
113	93¾	Treasury 13pc 1990‡‡	111¾	+⅜	12.04	11.66
88½	72¾	Treasury 8¼ 87 90‡‡	87⅜	+⅜	9.79	10.69
104⅞	86¼	Treasury 11¾pc 1991	104	+⅜	11.70	11.66
71⅝	60⅜	Funding 5¾pc '87-91‡‡	71	+⅜	8.14	10.02
15 5/16	13⅜	Exch. 11pc 1991 £15pd	14½	+¼	11.35	11.47

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1979 High	1979 Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
23	22	Antofagasta Rly	22	.....	—	—
40	39	Do. 5pc Pref.	40	...	—	—
98	98	Chilean Mixed	98	...	—	13.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

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S.E. List Premium 25¼% (based on US$2.0550 per £)
Conversion factor 0.8009 (0.7854)

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S.E. List Premium 25¼% (based on $2.3486 per £)

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	9	......	—	—	—
171	128	Bougainville 50 Toea	135	+1	Q15c	1.0	6.9
140	84	BH South 50c	95	......	—	—	—
540	340	Central Pacific	525	......	—	—	—
318	220	Conzinc Riotinto 50c.	243	+5	†Q10c	2.0	2.5
36	21	Cultus Pacific N.L.	24	+1	—	—	—
21½	13½	Endeavour 20c	14	......	—	—	—
98	62	G.M. Kalgoorlie $1	66	......	Z03c	—	2.6
42	23	Haoma Gold N.L.	30	......	—	—	—
170	148	Hamptn Areas 5p.	167	......	‡t3.55	2.0	3.2
56	25	Metals Ex. 50c	55	......	—	—	—
275	197	M.I.M. Hldgs. 50c	216	−4	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	38	Mount Lyell 25c	54	−2	—	—	—
44	17	Newmetal 20c	17	......	—	—	—
141	100	North B. Hill 50c	108	+1	†Q8c	1.3	4.3
22	11	Nth. Kalgurli	14	......	—	—	—
40	22	Nth. West Mining	25	......	—	—	—
137	88	Oakbridge $A1	93	......	Q12c	1.9	7.5
37	22	Oilmin N. L.	29	......	—	—	—
120	58	Pacific Copper	93	......	—	—	—
£10¾	625	Pancont'l 25c	725	......	—	—	—
25¾	17½	Paringa M&Ex. 5p	20	......	—	—	—
510	330	Peko-Wallsend 50c.	353	......	Q15c	3.3	2.4
215	145	Southern Pacific	207	......	—	—	—
188	139	Westn. Mining 50c	154	......	†Q3c	0.7	1.1
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	54	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	29	......	2.81	1.3	14.4
435	315	Ayer Hitam $M1	315	−15	Q300c	0.5	20.5
72	51	Beralt Tin	65	−3	4.0	ϕ	9.2
270	200	Berjuntai $M1	225	−5	†Q110c	1.0	11.6
160	145	Geevor	160	......	H5.57	5.8	5.2
10½	8	Gold & Base 12½p	10½	......	—	—	—
365	295	Gopeng Cons.	365xd	......	†18.0	1.4	7.4
360	295	Hongkong	360	......	12.5	2.8	5.2
70	64	Idris 10p	68xd	+3	8.0	ϕ	17.6
14	9½	Jantar 12½p	14	......	—	—	—
82	66	Kamunting $M0.50	81	+1	†Q12.5c	2.1	3.3
620	210	Killinghall $M1	335	......	—	—	—
465	365	Malay Dredging $M1	405	−10	†175c	0.7	9.3
57	41	▲Pahang	44	+1	—	—	—
85	60	Pengkalen 10p	80xd	......	4.5	1.2	8.4
240	205	Petaling $M1	235	+5	Q120c	1.3	11.8
85	73	Saint Piran	81	+1	†2.03	6.5	3.7
58	53	South Crofty 10p	56	−1	†4.19	2.0	11.2
210	170	South Kinta $M0.50	195	−5	†‡Q145c	0.6	16.0
405	285	Sthn Malayan $M1	380	−5	†Q190c	1.0	10.7
285	210	Sungei Besi $M1	285	+5	mQ65c	5.3	4.9
75	50	Supreme Corp. $M1	50	......	ZQ10c	—	4.3
105	94	Tanjong 15p	100	......	6.60	0.8	9.8
265	205	Tronoh $M1	245	−5	‡Q88c	1.6	‡

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	107	−1	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
74	54	Barymin	64	+2	—	—	—
13½	10	Burma Mines 17½p	10	......	—	—	—
345	170	Cons. Murch. 10c.	265	−5	—	—	—
410	340	Northgate C$1	390	......	—	—	—
344	226	R.T.Z.	335	−1	11.5	q2.6	5.2
65	40	Sabina Inds. C$1	44	+4	—	—	—
880	687	Tara Exptn. $1	750	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$13¼	$10½	Buffels R1	$13	+⅛	Q190c	ϕ	16.8
$11¼	890c	East Drie R1	$10⅞	−⅛	Q115c	1.6	12.7
470c	350c	East Rand Prp. R1	440c	......	Q10c	—	2.7
$24¼	$18¼	F.S. Geduld 50c	$23½	−⅛	†Q315c	2.4	15.7
$14¾	$11⅛	Pres. Brand 50c	$14½	−⅛	†Q150c	3.2	12.1
$14¼	$10¼	St. Helena R1	$12⅝	−⅛	Q190c	1.4	17.7
595c	407c	Stilfontein 50c	570c	+5	Q66c	ϕ	13.4
$24¼	$18¼	Vaal Reefs 50c	$23½	−⅛	Q280c	2.7	15.7
$35¼	$28¾	West Drie R1	£33½	......	†Q385c	1.7	13.2
£30⅞	$22¾	West Hldgs. 50c	$30⅝	−½	†Q415c	1.4	16.0
$13	$10⅝	Western Deep R2	$11½	......	Q147½c	2.1	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement
- ↑ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 34

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	27½	......
Ash Spinning	105	......
Bertam	28	......
Bdg'wtr. Est. 50p	407	+4
Clover Croft	28	......
Craig & Rose £1	£107⅛	......
Dyson (R. A.) A	35	......
Ellis & McHdy	70	......
Evered	28xd	......
Fife Forge	54	......
Finlay Pkg. 5p	21xd	......
Graig Ship £1	180	......
Higsons Brew	85	......
Holt (Jos) 25p	269xd	......
I.O.M. Stm. £1	165	......
Pearce (C. H.)	215	......
Peel Mills	30	......
Sheff. Refrshmt.	82	......
Sindall (Wm.)	142	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£92¼	......
Alliance Gas	106	+2
Arnott	385	......
Carroll (P.J.)	105	......
Clondalkin	86	+1
Concrete Prods.	98	......
Heiton (Hldgs.)	62	......
Ins. Corp.	210xd	......
Irish Ropes	105	......
Jacob	37xd	+1
T.M.G.	245	......
Unidare	85	......

OPTIONS

3-month Call Rates

Stock	Rate
Industrials	
A. Brew	7
BOC Intl.	6
B.S.R.	8
Babcock	14
Barclays Bank	32
Beecham	52
Blue Circle	18
Boots	18
Bowaters	18
B.A.T.	28
Brown (J.)	50
Burton 'A'	22
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	21
Dunlop	6½
Eagle Star	10
E.M.I.	14
Gen. Accident	21
Gen. Electric	32
Glaxo	50
Grand Met.	12
G.U.S. 'A'	30
Guardian	24
G.K.N.	24
Hawker Sidd.	22
House of Fraser	15
I.C.I.	20
"Imps"	9
I.C.L.	40
Inveresk	7
KCA	4
Ladbroke	18
Legal & Gen.	14
Lex Service	9
Lloyds Bank	25
"Lofs"	5
London Brick	7
Lonrho	9
Lucas Inds.	25
"Mams"	18
Mrks. & Spncr.	9
Midland Bank	30
N.E.I.	14
Nat. West. Bank	28
Do. Warrants	15
P & O Dfd.	8
Plessey	10
R.H.M.	5
Rank Org.	25
Reed Intnl.	16
Spillers	5½
Tesco	6
Thorn	22
Trust Houses	27
Tube Invest.	30
Unilever	55
U.D.T.	4
Utd. Drapery	10
Vickers	17
Woolworths	6½
Property	
Brit. Land	5
Cap. Counties	7
E.P.	3½
Intreuropean	5
Land Secs.	20
MEPC	15
Peachey	13
Samuel Props.	14
Town & City	2
Oils	
Brit. Petroleum	70
Burmah Oil	11
Charterhall	3½
Shell	48
Ultramar	24
Mines	
Charter Cons.	16
Cons. Gold	17
Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday April 28 1979

MAN OF THE WEEK

Rhodesia's quiet victor

BY TONY HAWKINS

IT IS SUPREMELY ironic that the man who in 1972 convinced a Tory Government that its Rhodesian settlement, based on a restricted franchise and majority rule at some distant future date, was "unacceptable to the people of Rhodesia as a whole" should now be unable to persuade a Labour administration that immediate, if diluted, Black rule resulting from one-man one-vote elections justifies recognition and the lifting of economic sanctions. In November, 1971, when Black opinion was being mobilised against the Smith-Douglas Home settlement, negotiated over the heads of the African people without their participation, the obvious contenders to spearhead Black opposition—Joshua Nkomo, Ndabaningi Sithole and Robert Mugabe—were all in detention.

The combination of tribal rivalry and conflicting personal ambitions that have so long plagued the nationalist movement in Rhodesia ensured that this newfound unity was short-lived. The quiet, unassuming, inarticulate bishop retained leadership of the UANC but the powerful figures — Nkomo, Mugabe, Sithole—drifted away so that by the time the Black Nationalists gathered in Geneva in October 1976 to implement the "Kissinger Agreement," the Bishop had become—in the eyes of the international media and the Anglo-American governments — a forlorn, almost forgotten figure. Whitehall made little secret of its preference for Mr. Nkomo and its assessment of the Bishop as a weak and ineffectual leader. Yet at home, the Bishop had managed to establish a quite remarkable rapport with the masses attracting huge crowds of 150,000 and more, demonstrating far greater grassroots support than his more famous rivals.


Bishop Abel Muzorewa
Can he fulfill the promises he has made?

His popularity, demonstrated again last week when he won the support of 1.2m voters in the Rhodesian election—67 per cent of the total votes cast and more than 40 per cent of the estimated electorate of 2.9m people—is not easily explained. He lacks the charisma of an Nkomo, the intellectual capacity of a Mugabe, the fluency and political skill of a Sithole. He has been labelled "weak" and "indecisive" by friend and foe alike and accused on many occasions of being outsmarted by the wily Ian Smith.

From being a "has-been" or a "never-was" the Bishop has now emerged on top of the heap, but his remaining there will depend on his ability to retain the White support and skills necessary to fight the war and revive the economy, while at the same time delivering on his promises to the Black electorate. The most crucial promise, of course, is to end the war, achieve recognition and the lifting of sanctions. Thereafter his supporters are looking to him to provide more and better jobs, more schools, clinics and housing and narrow the wage gap—in sum secure "the fruits of independence."

In addition, the American-educated bishop who turned 54 a fortnight ago must convince a sceptical international community that there really has been a transfer of power and that he is not just a black puppet being manipulated by the White Rhodesians in the public service and the security forces. The quietly-unassuming cleric may appear to lack the credentials necessary to lead a tribally and racially divided country out of civil war and economic decline to the promised land of peace and prosperity. But after 14 years of continuous international publicity, sanctions and an escalating war, the country desperately wants reconciliation—wants a man who promises peace rather than war. The question is can he fulfill his promises?

Italy to seek $1bn credit from IMF

BY PAUL BETTS IN ROME

ITALY intends to negotiate a new standby credit of some US$ 1bn (£488m) with the International Monetary Fund immediately after the Italian general elections on June 3 and 4.

Sig. Filippo Maria Pandolfi, the Treasury Minister, who confirmed this, is understood to have already told Mr. Alan Whittome, the Fund's European director, at the end of his recent visit to Rome that Italy was interested in negotiating a new facility.

Although Italy is in no urgent need of renewed international support, the new standby facility, which would also entail an Italian Letter of Intent to the Fund, is largely aimed at enhancing international confidence in the country.

At the same time, while official reserves are continuing to rise and both the country's terms of trade and overall balance of payments position have substantially improved, the Italian monetary authorities are increasingly alarmed by renewed inflation.

The official target this year was to contain the annual rate of inflation to about 12 per cent, but inflation is already running near the 14 per cent mark and some estimates suggest it could reach 15 per cent this year.

There is further concern over the current round of wage negotiations, which could threaten the Government's policy of seeking to prevent any real rises in wages in the next three years.

In view of the possible impact of new wage settlements and the uncertainties of the political situation, the monetary authorities have decided to extend until September existing restrictions on credit expansion.

Against this, there are also several positive trends including a sustained recovery of industrial production, which, for the first time in the decade, has so far not led to a deterioration in the country's balance of payments.

Italy's terms of trade continue to improve and another substantial overall balance of payments surplus is expected this year, although perhaps not as large as last year's L6,900bn (£3.9bn) payments surplus.

U.S. reactors shut for checks

BY DAVID BUCHAN IN WASHINGTON

U.S. POWER companies operating Babcock and Wilcox-built nuclear reactors similar to those at the damaged Three Mile Island plant have voluntarily agreed to shut them until safety questions are resolved, the Nuclear Regulatory Commission announced yesterday.

The move was seen as a face-saving gesture by the industry, which faced being ordered to shut by the NRC, whose top staff earlier this week recommended immediate closure of the B and W reactors.

The NRC said this compromise meant that all seven reactors involved should be back in operation before the peak period of summer electricity use. The closures will be staggered to soften the impact on the companies. Of the four B and W-built reactors operating one in California and one in South Carolina will shut today, followed by the two others in South Carolina in the middle of next month.

Apart from the two reactors built by B and W at Three Mile Island, three similar reactors in the U.S. are shut for routine repair and maintenance. Under yesterday's agreement, they will remain closed until modifications including equipment changes, better emergency procedures and operator training are completed. Mr. Harold Denton, NRC Director of Reactor Regulation, said that should not take more than a month.

The NRC was clearly daunted by the prospect of ordering the reactors' closure and it had kept postponing a final decision on its staff recommendation in the hope that an accommodation could be reached with the utility power companies.

As it is, the voluntary and staggered closures will still add to the companies' costs, in particular because of the need to buy replacement power. Immediately after yesterday's announcement, however, shares of J. Ray McDermott, the parent of Babcock and Wilcox, which has no connection with the UK company of the same name, rose on Wall Street, which had feared more stringent action.

The utility company most affected, Duke Power, of South Carolina, will now be able to keep one of its B and W reactors in service while the other two are modified.

Meanwhile, President Jimmy Carter's special 11-man commission investigating the causes of the reactor accident in Pennsylvania a month ago and its implications for the nuclear industry, yesterday announced that it would hold two days of hearings at the Three Mile Island plant next month.

Callaghan snubs civil servants

BY PHILIP BASSETT, LABOUR STAFF

MR. JAMES CALLAGHAN the, Prime Minister, has turned down a request from Civil Service union leaders for a meeting aimed at resolving a final stumbling block to a pay settlement for 600,000 white-collar civil servants.

The Civil and Public Services Association yesterday called off its selective strikes in the Civil Service after branch voting showed 103,506 members in favour of accepting the Government's pay offer of 9 per cent, with further staged rises, and 29,543 against.

The Society of Civil and Public Servants agreed to the settlement on a vote of 25,755 for the deal and 7,522 against, but refused to call off its selective strikes because the Civil Service Department is insisting that the period of the strike should not count towards strikers' seniority.

As a result, the Department then said that there was no settlement because all the industrial action had not been called off.

The Society of Civil and Public Servants said the action would not be called off until the threat of victimisation of strikers was removed and the Civil and Public Services Association said any victimisation in this way would bring immediate strike action.

Meanwhile, 37,000 Post Office members of the Civil and Public Services Association, the union which has been in the forefront of the Civil Service pay battle, staged a half-day stoppage over pay yesterday and the union announced an overtime ban and selective strike action from Monday.

The action is in support of a claim for increases of more than 20 per cent and for the settlement to be linked with that of the Civil Service. Post Office members of the Society of Civil and Public Servants taking action over their 25 per cent claim have already stopped the issue of all telephone bills.

CIVIL SERVICE PAY

		Present	Offered (1.1.80)	% change
Clerical assistant	Min.	£44.13	£52.96	20
	Max.	£50.15	£60.68	20.99
Clerical officer	Min.	£2,599	£3,123	20.16
	Max.	£3,280	£4,000	21.95
Executive officer	Min.	£3,113	£4,200	34.91
	Max.	£4,579	£5,700	24.48
Higher executive officer	Min.	£4,842	£5,950	22.88
	Max.	£5,718	£7,250	26.79
Senior executive officer	Min.	£5,937	£7,350	23.79
	Max.	£7,032	£8,900	26.56
Principal	Min.	£6,791	£8,850	30.31
	Max.	£8,729	£11,750	34.6

Senior Principal and Assistant Secretary rates not known until publication of Top Salaries Review Board report including rates for Under Secretary, Deputy Secretary and Permanent Secretary.
New rates shown are in 3 stages from 1.4.79.

Continued from Page 1

Teachers

All unions represented in Burnham joined in sending a telegram to Mrs. Williams, accusing her of irresponsibility in pre-empting a possible settlement.

The unions' panel is claiming a 36.5 per cent increase, which it claims is needed to restore the position of teachers in the "pecking order" for public sector pay, established by the official Houghton Inquiry of 1974.

The education authority employers have offered 9 per cent backdated to April 1 plus reference to the Pay Comparability Commission, with payment of any award in two halves from April 1980 and April 1981.

But, although the unions' telegram urged Mrs. Williams to allow negotiations to re-open before the election, she seems unlikely to change her mind.

The main reason is that Ministers and senior civil servants at the Department of Education and Science are opposed to the terms on which the Burnham panels agreed last Tuesday to refer the teachers' claim to the Pay Comparability Commission.

Ministers are opposed because the terms of reference, by instructing the commission to have regard to the Houghton Report of 1974, would set the precedent of taking a "special case" under past incomes policy and resurrecting it as "a very special case" under the new machinery.

Civil servants are opposed because the terms of reference do not guarantee both sides' acceptance of an award by the commission. The award would have to go before the Burnham Committee, and could well be driven higher by further negotiations.

A secondary point of opposition by officials is that the commission's workload is thought to be such that it could hardly complete a study of teachers' pay before Christmas.

The fact that it was the terms of reference to the commission that caused central Government to block negotiations accounts for much of the anger shown by both sides.

Fairchild expected to resist £146m takeover bid by Gould

BY STEWART FLEMING IN NEW YORK

FAIRCHILD CAMERA and Instrument Corporation, the fifth-largest U.S. semi-conductor producer, is widely expected to resist the $300m (£146m) takeover bid launched late on Thursday by Gould, an Illinois-based electrical equipment manufacturer.

Although the Board of Fairchild will not meet to decide formally until next Thursday, there is evidence to suggest that the company does not want to be taken over by Gould at a price equivalent to only 12 times 1978 earnings.

There is speculation already on Wall Street that Fairchild might begin to search for a more attractive partner. It is thought there would be no shortage of businesses interested in linking with a leading company in the growing micro-electronics industry.

Among those who must be watching the situation closely will be the British General Electric Company, which last year entered into a joint venture with Fairchild in the UK. At one point it had been rumoured that GEC might itself be interested in a fuller link with Fairchild although this has never been confirmed.

Rumours that Gould was a prospective buyer have been circulating for several weeks, during which there has been rampant speculation in Fairchild's stock on the New York Stock Exchange with substantial profits being made by traders.

After rising $5½ in the previous week, Fairchild shares jumped $8⅛ on Thursday to $52, which have caused a New York Stock Exchange investigation of trading. The opening of trading in the shares was delayed yesterday morning.

Gould's offer on Thursday was in the form of a "bear hug," a public, unsolicited proposal, which has to be put to the Fairchild board.

In such cases it is generally assumed that the first offer, this one worth $54m in cash for 45 per cent of the stock with a share alternative for the rest, is a sighting shot.

Fairchild last year reported that its earnings doubled to $24.7m on sales revenues 16 per cent ghiher at $533m.

Gould, which manufactures electrical equipment and batteries and is a supplier to the automotive industry, reported sales revenues of $1.87m in 1978 and earnings 9 per cent up at $101m.

Max Wilkinson writes: Total investment in the joint Fairchild-GEC integrated-circuit plant in Britain is likely to reach £15m by 1981-82. GEC is at present pursuing a policy of expansion in the U.S.

However, the acquisition of A. B. Dick, the old established office equipment company, has been the only major result of this policy so far.

GEC's main interest in Fairchild was in gaining access to advanced semi-conductor technology which it needs for its electronic systems products. GEC may have felt that a joint venture would be a cheaper way of gaining access to that technology than the outright purchase of a semi-conductor company.

Fairchild is still the industry leader in the manufacture of very fast computer memory components using the "bipolar" technology. However, it has trailed well behind in developing the newer metal oxide semi-conductor (MOS) products.

GEC said yesterday it believed that its contract with Fairchild would not be affected by a change of ownership.

Continued from Page 1

New licence for BNOC

section of the field.

Production from Statfjord is due to start later this year. The Department of Energy said it was "essential that the full extent of the UK share of the field be defined and licensed before that date."

Blocks 211/24c and 211/25b were originally given to the National Coal Board in 1969 under the third round of North Sea licensing. But in 1976 BNOC, which had taken over the NCB's interest, had to surrender both blocks.

This was because under the terms of the first to fourth licensing rounds, companies ha dto return half their North Sea areas after seven years. The aim of the rule was to ensure widespread exploration by the oil companies—only by drilling would they know which parts of their area were the least promising and could be least painfully surrendered.

The department said recent exploration on Statfjord suggested that the UK oil reservoir extended into the two blocks that had now been re-licensed.

BNOC will retain a 33.3 per cent interest in blocks 211/24c and 211/25b. Gulf Oil (Great Britain) and Gulf (UK) Offshore Investments will jointly hold a further 33.3 per cent and Conoco will take the remaining third.

THE LEX COLUMN

Industry lags in the share race

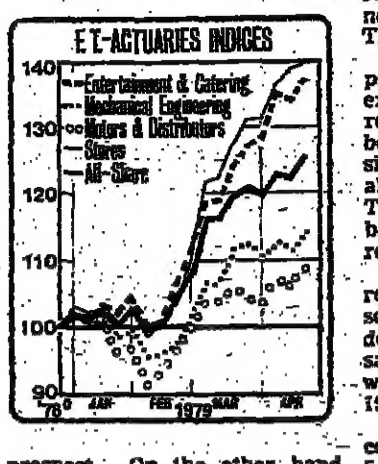
In a week when Hoover announced a loss and BSR went on to short time working—two manufacturing companies which in the past have usually been able to earn high returns—the equity market has kept its eyes firmly on the prospect of a Conservative victory in next Thursday's poll.

On Wednesday the FT 30-Share Index at last followed the All-Share Index into new all-time high ground, its closing peak of 552.7 beating by 3.5 points its previous record of September 1977. But with sterling looking a little nervous, and with the latest opinion polls showing a less handsome Tory lead, the market has been unable to hold the highest levels.

When the election is out of the way, attention may be directed away from political speculation and towards a consideration of the distinctly unhealthy character of the stock market's recent surge forward. The latest table of leading and lagging sectors shows clearly how the gains so far this year—amounting to around a quarter for the All-Share Index—have been concentrated heavily in the service and financial sectors, together with oils. Key manufacturing sectors like mechanical engineering and pharmaceuticals dominate the bottom of the list with rises of only around a tenth.

This dispersion of the sectors reflects faithfully enough the relative prospects of companies in an economy affected by an increasingly uncompetitive currency. It also serves to give an early warning of the kind of economic problems which are going to face the incoming administration.

Index rose 1.0 to 547.9



Tarmac

The 42 per cent leap in Tarmac's second half profits took the market by surprise after the very poor first half results. Pre-tax profits for the year are up nearly 10 per cent at £26.5m and, with the dividend being increased by the full 10 per cent, the shares rose 10p to 203p.

Beneath the wild swings in Tarmac's weather-sensitive earnings—and they will be even wilder this year because of the severe winter—the group remains seriously unbalanced. The construction side has seen its return deteriorate from an already low base; turnover of £343m generated profits of only £2.8m in 1978. There should be £1m or so of loss elimination on the overseas contracting side this year, but several years of hard labour look to be in prospect. On the other hand the traditional quarry products side and the housing division are doing well, contributing 77 per cent of the group's 1978 industrial profits from only 38 per cent of sales.

Tarmac has been through a long and distressing boardroom upheaval following a series of disastrous overseas ventures, and the new management is likely to proceed very cautiously, leaving the overall shape of the group, unsatisfactory though it may be, little changed for the time being. Investment will be concentrated in the quarry and housing side while the rest of the group may be left to look after itself—in construction particularly Tarmac will be happy to sacrifice volume rather than keep on taking low-margin business. Retrenchment, then, is the name of the game: this year, if it can get ride of losses in France, the group should make about £28m, which puts the shares on a fully-taxed p/e of 8.2, while the yield of 8.3 per cent is well above the sector average.

Tricentrol

Few companies would choose to risk a £16.8m rights issue over the general election period but Tricentrol sees itself as a buccaneering oil company that is willing to go where others fear to tread. Its shares have had a fantastic run since the start of the year having risen twice as fast as the market and outperformed even the oil sector.

So now seems as good a time as any to tap shareholders for funds. At last night's price of 230p the shares are being issued at a discount of 24 per cent and the dividend has been increased to 8p gross. This year profits could double to £16m and the North American reserves are now worth as much as the Thistle interests.

With the sharp rise in oil prices the outlook for mini-exploration companies with oil reserves, such as Tricentrol, has been transformed over the last six months. However, behind all the bravura it is clear that Tricentrol could have come badly unstuck but for the recent fortuitous turn of events. Its Thistle field is running roughly 18 months behind schedule, the reserves have been downgraded and the company is saying that "substantial funds" will not now accrue until mid-1981.

Meanwhile it is saddled with a commitment to pay a minimum 5 per cent royalty to the UK Government which guaranteed its initial financing. Tricentrol will not reveal just how onerous this future commitment is, but unless it repays its Government debt soon the royalty could conceivably double. That is why Tricentrol badly needs the cash to buy off the Government's royalty escalation clauses.

Lonrho/SUITS

Shareholders of SUITS, being offered shares and cash worth 194p a share by Lonrho, should wait for the outcome of the current manoeuvrings over the 9 per cent stake held by the Fraser family trusts. The acquisition of this stake will be the key stepping stone to victory for Lonrho, which already holds around 30 per cent of SUITS. The trusts have provisionally accepted the Lonrho offer, but on Monday the defending SUITS directors will be seeking Takeover Panel permission for an offer of 200p to be put to the Fraser trustees. It will be financed by a consortium of institutions—insurance companies, pension funds and investment trusts—put together by Charterhouse Japhet, SUITS' merchant bank advisers.

Clearly these institutions have been persuaded that the Fraser trusts are not using their full bargaining power, and that Lonrho can be forced to raise its terms for the second time. They are evidently prepared to take a calculated risk that Lonrho might withdraw; or perhaps they are not convinced by Lonrho's assertion, repeated in another circular last night, that "if there are insufficient acceptances and our offer lapses, the price of your shares could fall substantially."

Weather

UK TODAY

MOST central and southern parts of England and Wales will start cloudy with rain in places, becoming drier and brighter later with some sunshine.

London, S.E., Cent. S. England, Eastern England
Rain at first. Bright later.

Cent. N. England, Wales, W. Midlands, S.W. England
Occasional rain or showers. Sunny intervals.

N.W. England, Isle of Man, S.W. Scotland, N.E. Scotland, Ulster
Scattered showers. Bright or sunny intervals.

● *Outlook:* Showers or longer periods of rain, but some bright intervals. Rather cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	15	59	Locarno	F	15	59
Algiers	F	13	55	London	R	9	48
Amsdm.	F	9	48	Luxmbg.	C	6	43
Barclna.	F	15	59	Luxor	S	39	102
Belfast	C	10	50	Madrid	F	14	57
Belgrd.	S	17	63	Majorca	F	16	61
Berlin	C	11	52	Malaga	S	20	68
Biarritz	C	11	52	Mchstr.	F	10	50
Bmghm.	C	10	50	Melbne.	C	15	59
Blackp'l	S	9	48	Milan	F	14	57
Bordx.	C	12	54	M'ntreal	C	17	63
Boulgn.	F	8	46	Moscow	C	15	59
Bristol	C	11	52	Munich	R	5	41
Brussels	C	7	45	Nairobi	C	20	68
Budpst.	F	16	61	Naples	F	15	59
B. Aires	S	19	67	Nwcstl.	C	17	63
Cairo	S	28	82	N. York	C	14	57
Cardiff	F	11	52	Nice	C	13	55
Cas'b'ca	S	18	64	Nicosia	S	26	79
Cape T.	C	20	67	Oporto	S	16	61
Chicago	C	8	46	Oslo	C	11	52
Cologne	C	8	46	Paris	C	10	50
Cophgn.	C	6	43	Perth	S	23	73
Dublin	C	11	52	Prague	R	8	46
Faro	S	20	68	Reykjvk.	S	4	39
Florence	C	13	55	Rio J'o	C	27	81
Frankf't	C	10	50	Rome	C	13	55
Funchal	C	16	61	Salzb'rg	C	10	50
Geneva	R	6	43	Singapr.	C	25	77
Gibrltr.	S	19	66	Stckhm.	C	9	48
Glasgow	C	11	52	Strasbg.	C	11	52
G'nsey	S	10	50	Sydney	C	17	63
Helsinki	C	10	50	Tangier	S	21	70
H. Kong	C	23	73	Tenerife	C	15	59
Innsbr'k	C	9	48	Tokyo	C	17	63
Invrnss.	R	10	50	Toronto	C	7	43
I. o. Man	F	9	48	Tunis	C	15	59
Istanbul	F	22	72	Valencia	S	19	66
Jersey	S	10	50	Venice	C	14	57
Jo'burg	S	31	88	Vienna	C	12	54
L. Plms	F	20	68	Warsaw	C	11	52
Lisbon	S	17	63	Zurich	R	5	41

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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هكذا من الأصل